

BOSTON UNIVERSITY GRADUATE SCHOOL

Thesis

THE HISTORY OF FREE TRADE IN GREAT BRITIAN

Ъу

Earl Crawford Anderson (A.B., Boston University, 1930)

submitted in partial fulfilment of the requirements for the degree of Master of Arts

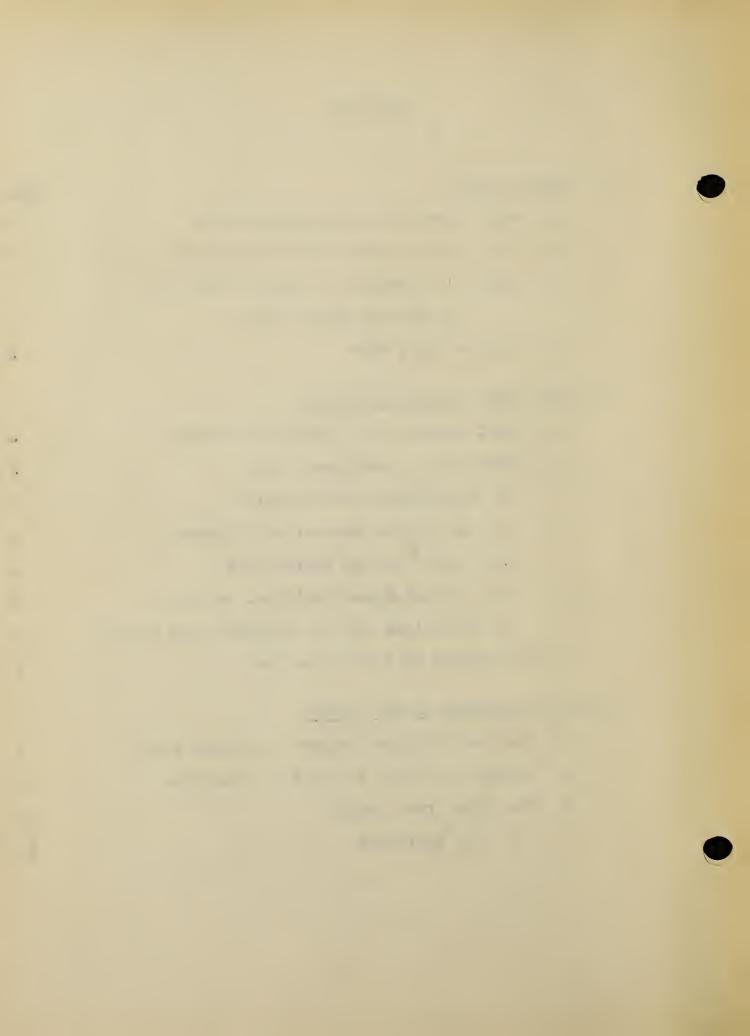
1931

BOSTON UNIVERSITY
COLLEGE OF LIBERAL ARTS
LIBRARY

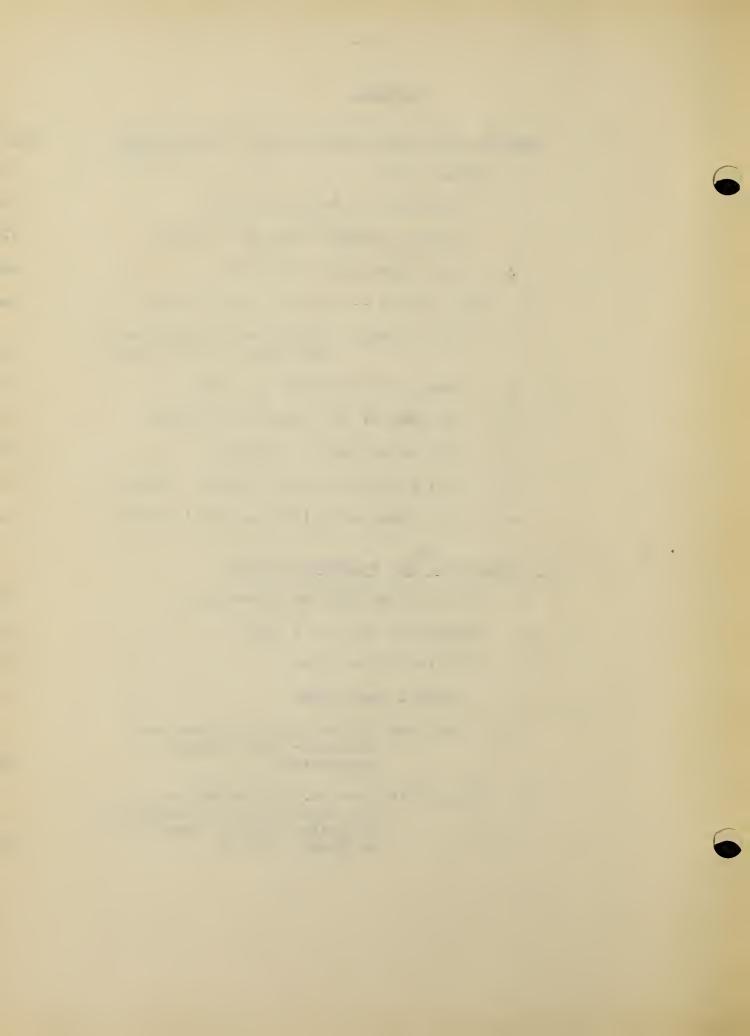
46935

376.744 BO A.M. 1931

I.	Introductory			
	Α.	Free Trade as an English Tradition	1	
	B. Free Trade as an Element of English History			
	C. England's Problems - Colonial Trade and			
		the British Food Supply	2	
	D.	Scope of this Work	3	
II.	Free	Trade versus Protection		
	Α.	Fault common to all Economic Theories	3	
	в.	Theory of International Trade	3	
		1 Protection and High Prices	5	
		2 The "Infant Industries" Argument	5	
		3 Protection and Nationalism	6	
		4 Protection and Political Intrigue	6	
		5 Protection and the National Food Supply	7	
	C.	Protection in Actual Practice	7	
III	.The	Beginnings of Free Trade		
	Α.	The New Political Economy - Laissez Faire	9	
	В.	Immediate Effect of the New Principles	10	
	C.	The Free Trade School	11	
		1 Its Influence	12	



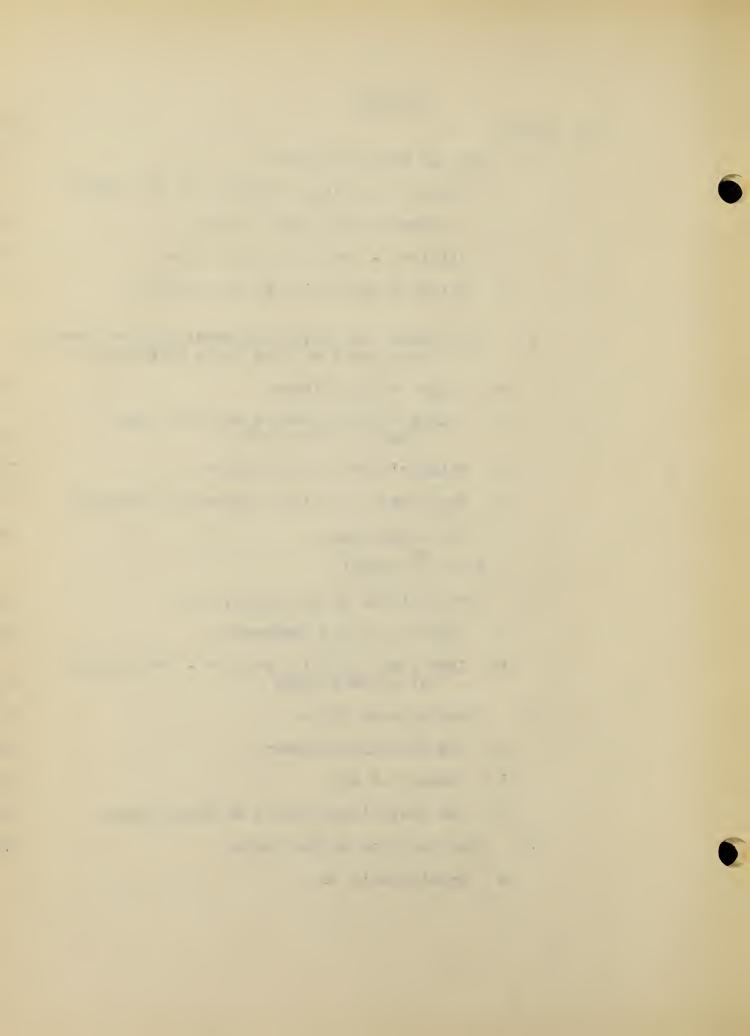
IV.	Engli	sh Trade Conditions in the 18th century (to 1806)	Page
	Α.	Early Years	12
	1	Confusion of British Policy	12
	2	Walpole attempts Reform Fails	13
	3	The Trades and Protection	14
	В.	Later Years and Pitt the Younger	14
	1	Pitt attempts Reform the Inertia of Monopolist Traditions	14
	2	Commercial Treaties and Budgets	15
	3	The Wars of the French Revolution	17
	4	Corn Agitation and the Wars	19
	5	Pitt forced to change Policy (1801)	20
	6	The Treaty of Amiens to Pitt's Death	21
v.	The Le	gacy of the Napoleonic Wars	
	Α.	The Wars and English Liberalism	22
	B.	Prosperity of 1805 - 1815	23
	C.	Effects of the Peace	25
	1	General Conditions	25
	2	The Corn Law of 1815 - Purpose and Results - (and public discontent)	26
	D.	The difficulties of Agriculture - Its position of strength, due to Solidarity, as compared to merchant classes	29



<u>Outline</u>

VI.	Early Attempts at Free Trade Reform Abortive	Page
	A. The New Ministry of 1822 - Huskisson's Reforms and the Trade Revival	33
	B. The Depression of 1825 - Reasons for and Results	36
	C. Failure to Amend the Corn Laws - 1827 - to Huskisson's Death	37
	D. The Reformed Parliament	39
	E. Jeremy Bentham and the "Not-the-time" Argument	40
	F. Prosperity of Masses - 1837 - Factors of Trouble Remaining	41
	G. Reasons for Failure of Early Attempts at Corn Law Repeal	41
VII.	The Reform Movement and its Successful Culmination (Through the Repeal - 1845) A.The Manchester School	
	1 Beginnings of the Anti-Corn- League	42
	2 Anti-Corn-Law Leaders	48
	3 Later Activities of the League	51
	3. The New Parliament	
	1 Downfall of Melbourne	64
	2 The 1841 Parliament	65
	3 Free Trade Action - Cobden and Villiers - Effect on Peel	66
	4 Act of 1842 - the Budget	68
	5 "Conversion" of Sir Robert Peel - Importance	69
	6 Acts of 1843 Parliament	70

VII.	(cont	t.)		Page
	7		Acts of 1844 Parliament	71
		a	Cobden's Activity on behelf of the farmers	71
		ъ	Sir Robert Peel and the Budget	72
		С	Villiers - the Free Trade Motion	72
		d	Bright's Activities in the Commons	73
	8		The Acts of the 1845 Parliament and the General Acceptance of Free Trade Principles	a l
		a	Budget - Significance	74
		b	Action of Free Traders and Lord John Russell's Fixed Duty	75
		С	Villier's Free Trade Motion	76
		d	Free Trade Principles Generally Accepted	77
		е	The Irish Famine	79
	C.		Peel and Repeal	
	1		The decision of Sir Robert Peel	80
		a	The Fall of His Government	80
		ъ	Lord John Russell's Failure - The Country at a Fever Pitch	81
	2		Peel Resumes Office	81
		a	His Three-year Scheme	82
		b	Passage of Act	82
		C	The Unavailing Protest of Free Traders	82
	3		The Conflict in the Lords	83
		a.	Wellington's Act	



VII.	(cont.)		Page
	4	A Criticism of Sir Robert Peel's Action	87
	a	Estimate of Peel	88
	5	The Inevitability of the Success of Free Trade	90
	ε	Motive of Profit	90
	t	Moral and Religious Grounds	91
	C	The International Instinct	92
	d	Summary - The View of Wilhelm Dibelius	93
vIII.	The	Establishment of Free Trade as a National Habit	
	A. Wha	t the Repeal Had Accomplished	95
	1	Importance	95
	2	Permanence	97
]	B. The	Protectionists (or Die-Hard Tories)	99
	1	Resistance to the Repeal	99
	2	Immediate Reaction to the Repeal	104
	3	Later Reaction to the Repeal - as a Basis for the New Tory Party	104
(C. Agr	riculture - Its Post Repeal Problem	105
	1	Farm Prices	107
	2	The Farmer's Troubles	107
:	D. Dis	raeli - and the New Tory (or Conservative Party	111
	1	Disraeli's Problem - Attitude Toward Free Trade	111
	2	Navigation Acts - 1849	116
	3	Protection and the Farm Problem	118

			Page
	a	Attitude of the Farmers	120
	ъ	Attitude of the Commons	121
	С	Disraeli's Petition for Farm Relief	121
	d	The Government Weakens	122
	е	Ambiguous Position of Tories	123
4	Т	ory Party in Office - 1852	125
	a	Palmerston and the Whig Defeat	125
	ъ	Derby - Disraeli	125
	c	Protection - Disraeli's Diplomacy	126
	d	Derby and the Queen - His Break	126
	е	The Villiers and Palmerston Resolutions	127
	f	Protection a Tory Principle	127
	g	The Election of 1852	128
	h	The December Budget	128
5	Т	he Condition of Free Trade (1852)	129
	a	Defeat of Tories	129
	ъ	The Gladstone Budget - Comparison with Disraeli's	129
	С	Significance of the Two Budgets to Free Trade as an English Institution	130

e. 0 1 ----

IX.	Imperi	al Preference	Page
	Α.	Early Reactions to Manchester Doctrines	132
	1	Popular Interest in Colonies	132
	2	2 Dream of Empire	133
		a Short-sighted Policies	133
		b Disraeli and His Vision	134
	В.	Early Colonial Conferences	135
	1	The Colonial Conference of 1887	135
	2	The Conference of 1894 - and Preferential Trade	137
	C.	Joseph Chamberlain and the Movement	137
	1	Personal Characteristics	137
	2	Colonial Secretary	138
	3	The Colonial Conference 1787	139
	4	The Birth of His Imperial Preference Idea	141
	5	The Colonial Conference of 1902	141
	6	His Campaign at Home	142
		a The Liberal Campaign	144
	7	The Election of 1905 - Exit Balfour and Chamberlain	147
	D.	The Question Reopened - 1907 - the Imperial Conference	148

the second second

IX.	(cont.)	Page
	E. Status (1907 - 1923)	149
	1 The Situation after the 1907 Conference	149
	2 The 1909 Budget and the Conference of 1911	150
	3 Canadian-American Reciprocity	151
	a English hold on the Colony	152
	4 The Great War and Aftermath	153
	F. The Imperial Economic Conference - 1923	154
	G. The Election of 1923	155
	H. The Labor-Liberal Coalition	157
	I. Resume of Tariffs since 1921	157
x.	The Future of Free Trade in England	159

Summary -- 7 pages

Bibliography -- 4 pages

. ---

I Introductory.

Today the institution of Free Trade is an important English heritage -- one which, though of relatively recent origin, yet comes down to us with the full force tradition lends to that which has been thoroughly established through the thinking habits of generations -- in a land where tradition is always spelled with a capital letter. How did such a tradition develop, and what were the governing motives which influenced its general acceptance by the English people? The purpose of this work shall be to attempt an explanation for this particular aspect of British economic opinion.

what the status of Free Trade is at the present time in England. This question is too involved in the very poots of English life to be answered briefly. However, it might be well to give a general idea to start with, and this can best be done in the following manner. One characteristic of all the significant developments of English life is that, in the conflict to establish them, indelible marks of that struggle are left in British records or in British institutions.

Look then into the index of any general history of England, of the nine teenth and twentieth centuries under the headings "free trade", "protection", and "imperial preference". If considerable material is not found under each of these headings,

· ·

the book is not even on speaking terms with some of the most vital problems which the Island Kingdom has faced and still faces, and the choice one way or the other concerning which would affect her interests in a most marked manner.

Today the question is exceedingly important, since a solution would touch the trade interests of the Empire, especially of the Dominions, and of England herself. The last Imperial Conference*, which will be discussed later, is one aspect of this same phenomenon.

concerning food, are especially important. England can produce enough food to supply her population for but six weeks of a given year. The food supply for approximately forty-six weeks, therefore, must be imported -- that is, nearly 90% of the total for any given year. For all practical purposes, then, England is wholly dependent for food upon her imports. This has long been so, especially in the last century, with her growing manufacturing population, while the number employed in agriculture is relatively stable.

England, then, is in the peculiar position of having to make compromises between a confusion of home and imperial interests -- and not an easy choice, since the issues are not always as simple to the ministry as to the man in the

· . .

street, who, knowing but little, knows all.

Our task is to study what England has done with her tariff problem and what she is doing with it, and to try to estimate her present position with regard to the matter.

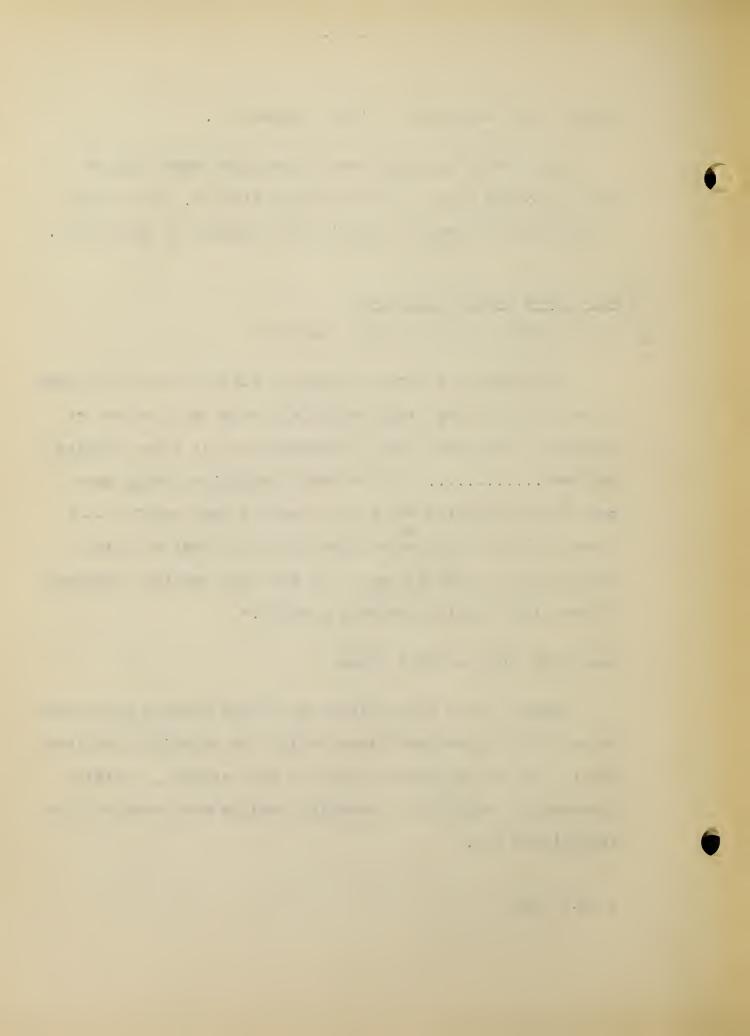
II Free Trade versus Protection

A Fault Common to all Economic Theories

Economics is a rather uncertain field in which to study effects of theories, says Bastable, since the theories of economics "are drawn from the examination of a few leading features...... applied under conditions which have been much simplified and so far removed from reality -- a characteristic which makes them unfit for that sweeping application to practice what has been the greatest weakness of the older English economic school".*

B Theory of International Trade

However, this same author has stated several principles concerning international trade which are certainly pertinent here; and for an understanding of this subject, certain fundamental principles concerning tariffs and trade will be established now.



For example, Bastable has established the fact that "there is always a gain by the opening of International exchange, though it may only consist in the abolition of a monopoly" . * and that "the effect of impediments will, of course, be to lessen the gain by foreign trade". ** says further, "All attempts to hinder it (foreign trade) are injurious to the nation which adopts such a course, as well as to the countries with which, under freedom, it would trade; and the reasons for such a conclusion are so clear and simple, that it is difficult to understand why they have not been universally adopted". *** More important yet, "As duties for protection are avowedly impediments." he says, they must reduce the gains made by trade. **** Taxation also reduces the profits of exchange, though they may augument the revenue of the state. ***** What effect has protection on higher prices? Bastable puts this very concisely. He says. "The contention of American protectionists, that prices are not raised by protection, may be disposed of in the following: first, that it is incorrect in fact, as every price list shows; and second, that, if true, it would only prove that protection is not needed" . ******

^{*} B-2, 107

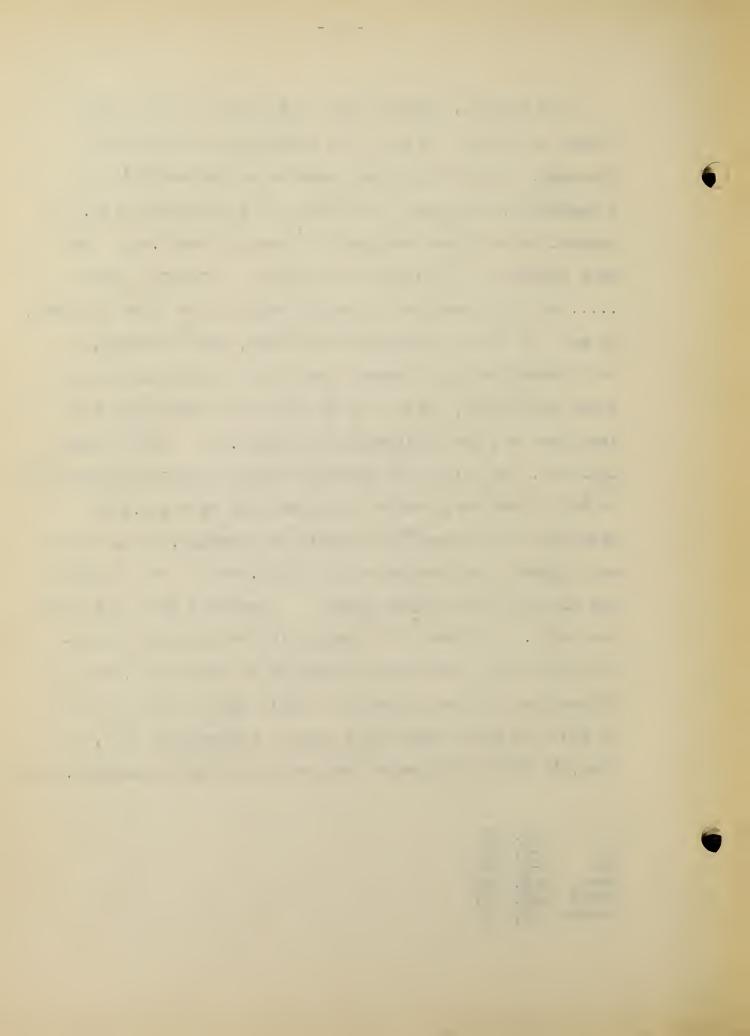
** B-2, 34

*** B-2, 138

**** B-2, 134

***** B-2, 111

****** B-2, 135



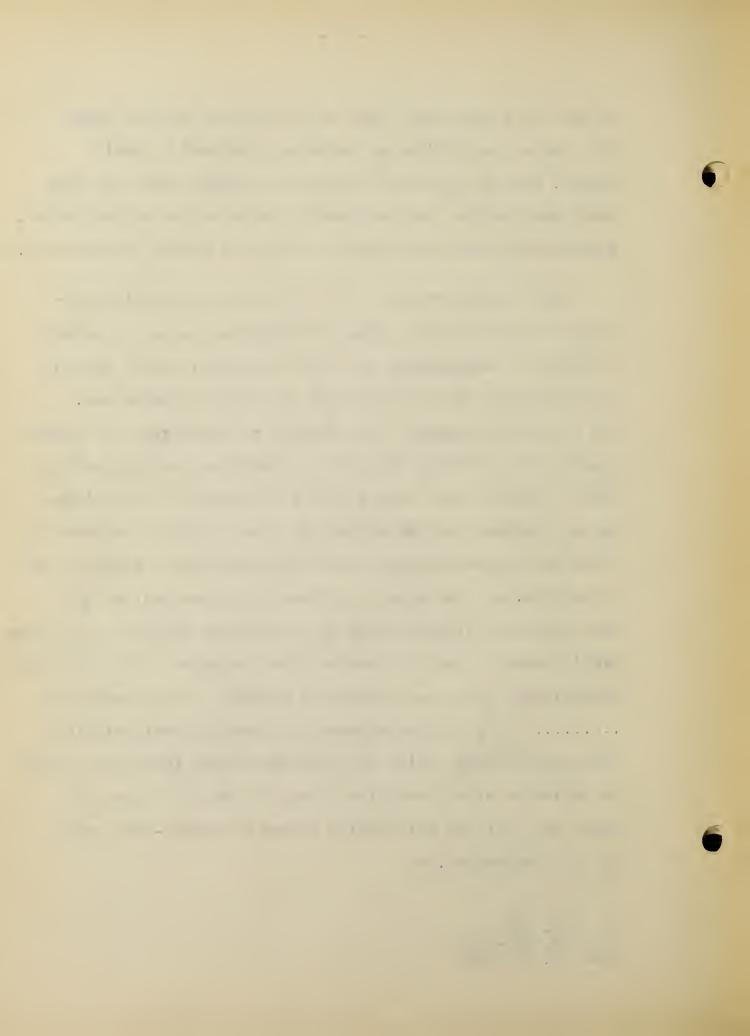
He adds in a footnote, "Some protectionists seem to argue that undue fluctuations of price are obviated by their system, but the history of prices in England under the Corn Laws, and for the last thirty-five years in the United States, conclusively shows that quite an opposite effect is produced".*

Some nations believe it is their duty to utilize protection to develop all types of industries, so as to produce a variety of employments for their citizens, and to protect industries not yet strong enough to stand by themselves. Our authority explodes this argument of "protection of infant industries" by saying that it is understood that protection will be removed when they arrive at the state of full independent manhood, which reduces the case to that of freedom of trade when these businesses are well established enough to be of service. ** He adds, "If there is no prospect of the most favorable circumstances of an industry yielding a suitable profit under a state of freedom, that industry, if artificially established, is not an element of strength, but of weakness it is a stock argument of American protectionists that without high duties their manufacturing industries would be destroyed -- an assertion which, (if correct) does not speak much for the stimulating effect of thirty-five years of high protection. ***

^{*} B-2, 135

^{**} B-2, 139-141

^{***} B-2, 141-142



Rogers, a political economist of the later nineteenth century, criticizes protection as a diminisher of capital.

He say, "The state possesses no capital with which to aid labor; it must take capital from other employments to do so.

In fact, whenever it protects particular kinds of labor, it diminishes capital by rendering some portion of it less productive".* He puts the matter more forcibly by stating, "It (protection) makes what is fertile less productive in order to rear scanty crops on sterile ground. What should we say of a farmer who starved his best land to try experiments on a rocky waste?"**

It is also argued that the tendency to advocate protection for the sake of national interests (as self-sufficiency, etc.) is usually without the realization of the economic loss. Such measure should ever be undertaken with caution, because of the loss to the people's material welfare, a great factor in their culture. Such a loss by protection is sometimes regarded as robbery of the individual by the state**, though this is an extreme view.

Protection is a policy tending towards political unrest, as well. Bastable points out that the political evils of protection, to a democracy particularly, are great, since efficient government is sacrificed "to the impossible task

^{*} R-4, 233

^{**} Idem

^{***} Bastiat, Spoliation et Loi -- Oevres, vol. v, pp.lff

· · ·

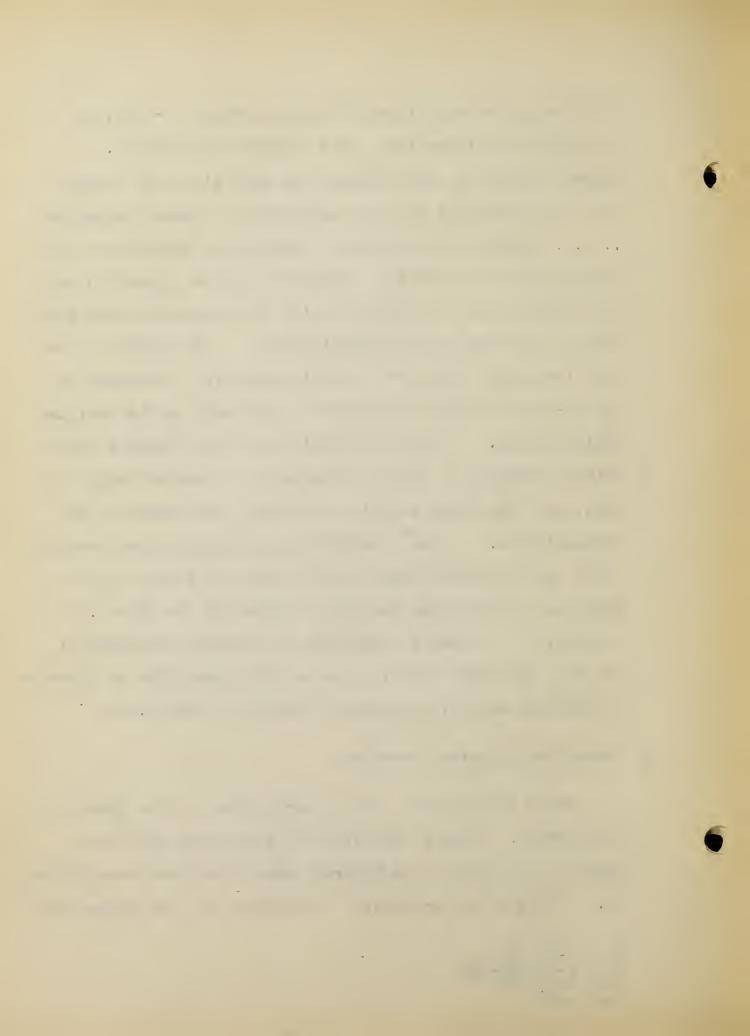
of pleasing the many incompatible interests" * -- and, as an example, mentions the United States Civil Service. Rogers concurs in this opinion, and asks with true insight "Is it not manifest that the selection of favored industries and the prolongation of the term of protection, will be the matter of perpetual intrigue; will be a powerful means for demoralising the administrative or legislative body which makes or extends these concessions?" *** The example in our own times which leaps to mind with startling suddenness is the so-called "tariff lobbyism" so prevalent in the American Rogers also points out that nations which capitol today. maintain freedom of trade are surest of a regular supply of food, and that these supplies, moreover, are bought at the Thus a relatively non-agricultural country cheapest rate. (like Great Britain) which manufactures for export "reaps a perpetual harvest from the whole surface of the globe". *** He says. "It is hardly impossible to conceive ourselves at war with the whole world, it is equally impossible to conceive a universal dearth, a universal failure of crops". ****

Protection in Actual Practice.

After all the real test of protection or free trade is Some of the evils of protection have been in practice. pointed out, some of its apparent advantages have been hinted at. What of the policies of government in this matter and

B-2, 151 R-4, 235-236 ***

R-4, **** Idem



the effects on the nation? Rogers says, "Governments are crippling the intelligence of those whose affairs they administer, by pandering to the foolish, dangerous, and wholly unjust dictum, that private interests are public benefits".*

He showed the effect of protection was serious under the provincial system of protection of France. He says, "In France..... trade was prohibited or hampered between the several provinces of which that country was composed, and in consequence, while there was famine in one province, there was unmanageable plenty in another".** He accuses the United States of an anomaly by which, for the nation, a strict protective system is maintained, while internally between states, free trade has been adopted as one of the bases of our government.***

He says further, "A community which adopts such a course is only saved from bankruptcy by its inherent vitality. It clutches at an imaginary good, and gets a real loss".****

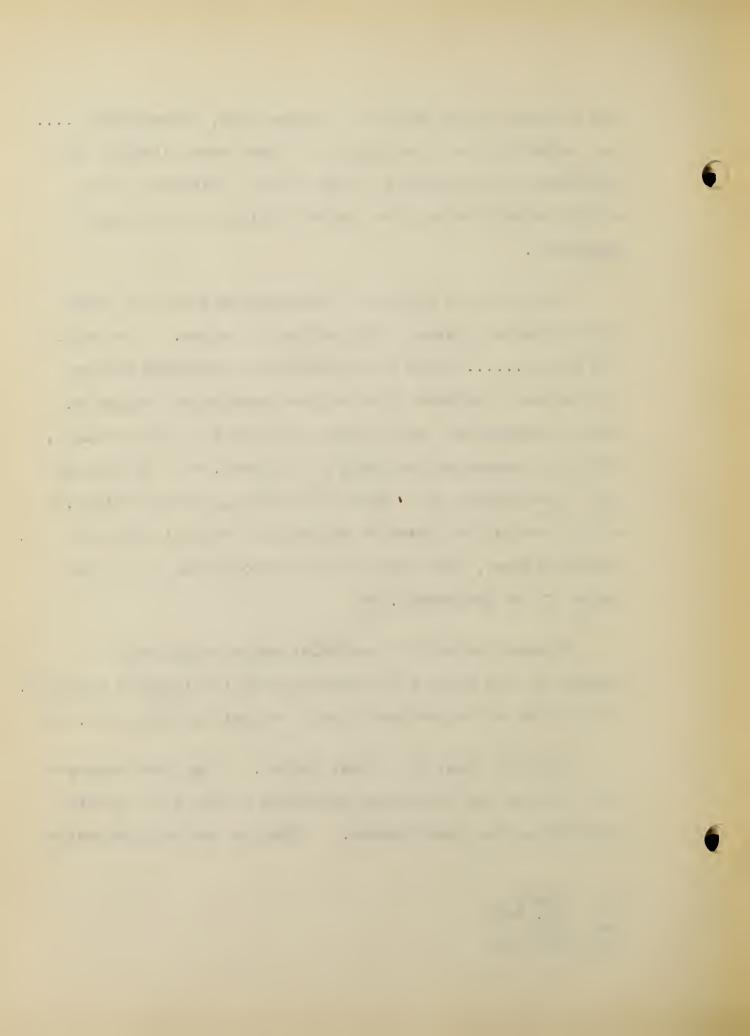
Distance, too, is a great factor. The home manufacturer enjoys the tremendous advantage of being on the spot and knowing the local demand. This is the only protection

^{*} R-3, 21

^{**} R-3, 368

^{***} Idem

^{****} R-4, 233



worthwhile, and is one which cannot be overcome as easily as protectionists like to think.

Rogers puts the matter in a nutshell in characteristic fashion. He says, "To strengthen the nation by impoverishing the purchaser, and by diverting the energies of the producer, is one of the strangest experiments which a mistaken view of public policy has ever recommended, or a narrow and suicidal selfishness ever insisted on".*

III The Beginnings of Free Trade.

A The New Political Economy -- Laissez faire

The inception of free trade principles began with the last quarter of the eighteenth century. Wealth of Nations, published in 1776, was the product of the fertile brain of Adam Smith, and marked the true beginning of a public recognition of a new laissez faire school of political economy. The new theories were the natural result of the necessity of an industrial age, as yet in its swaddling clothes, but just learning to walk by itself, and finding the resistance great due to the restrictive bonds of protection.

Previous to this time monopolist ideas dealing with trade were in vogue, and governed the commerce of the world with all the authority of an unchallenged principle. Now a David dared battle with the Goliath of Monopoly, and in

. ----.

course of time the boy David was to grow to a lusty manhood;
for this small beginning, a single volume by the Glasgow
professor, was destined ultimately to overpower the older ideas.

B Immediate Effect of New Principles

How did the new beliefs affect international trade?

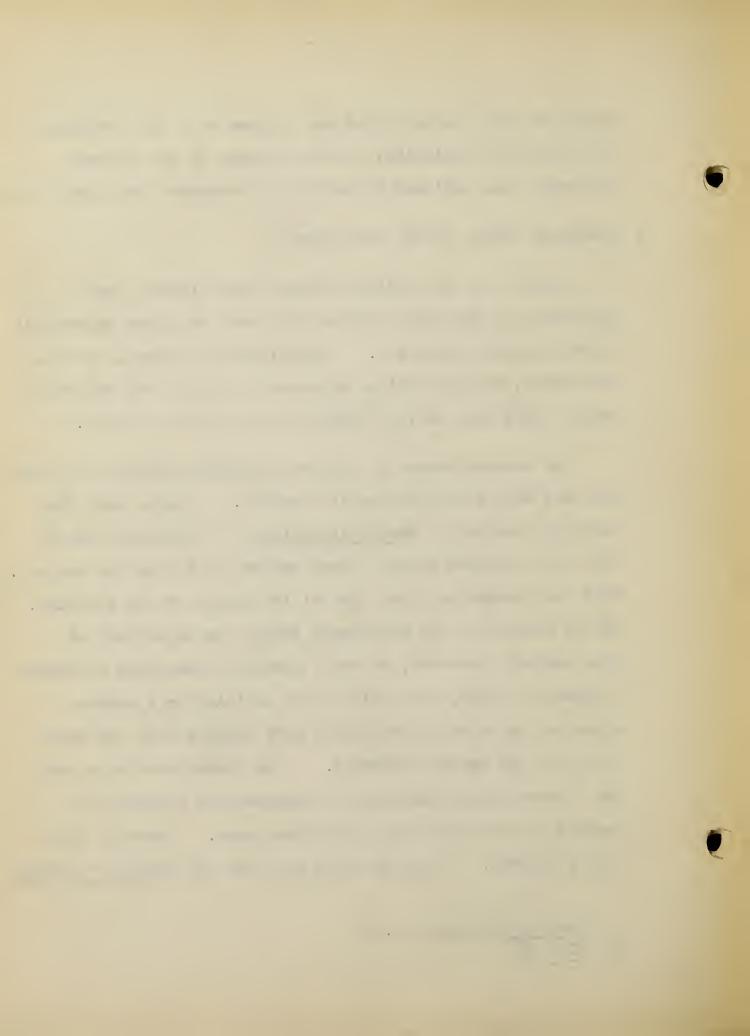
The answer is that they attacked all that the older monopolist belief had once stood for. Restrictions of trade, declared Adam Smith, are "violations of natural liberty, and therefore unjust; they are, too, as impolitic as they are unjust".*

and they were enthusiastically received. Buckle says that the first mention of Wealth of Nations in Parliament came in 1783, and recurred several times before the end of the century.**

Pitt the Younger, at this time at the height of his prestige, was in control of the government during the major part of this period; moreover, he was a careful student and professed follower of Smith, and modified his policies to a certain extent so as to make them accord more clearly with the principles of the Scotch economist. The French Revolution and the "ignorance and prejudice of conservative England" *** spoiled his well-laid plans for free trade. More of that later, however. Suffice it to say that the Wealth of Nations

^{*} Wealth of Nations, p.217

^{**} H-2, 186 *** H-2, 184



influenced all of Pitt's budgets before and during the wars, and his commercial treaty of 1786.

Outside of these meagre results, Adam Smith did not at first gain widespread credence. Traill says, "In other respects (than the direct result on Pitt's policies) Adam Smith's relation to the economic history of this period is rather that of a skilful analyst than a powerful influence."

And, indeed, no great political movement resulted immediately. Before such a movement had time to gather momentum the devastating continental wars of the French Revolution and of Napoleon drove all thought of mere theory to one side, and held it off until long after the struggle. This effect will be explained later.

C The Free Trade School.

The important point is that the work was not lost.

Furthermore, it was to be augmented by the work of other economists. Ricardo set forth his views on free trade in his Works, ** and John Stuart Mill in his Principles. ***

With this support the free trade principles of Adam Smith, their founder, came to be later set forth in a new light, so as to truly warrant the assertion that "There is no doubt that the Wealth of Nations has become the cornerstone of economic science." ****

^{*} T-1, 474

^{***} Vol. X, Art. 1
*** H-2, 186

. The second secon

Bagehot has said, "The life of almost everyone in England -- perhaps everyone -- is different and better in consequence of it (Wealth of Nations). No other form of political philosophy has ever had one one-thousandth part of the influence on us." Buckle is quoted as saying, "this solitary Scotchman has, by the publication of one single work, contributed more to the happiness of man than has been effected by the united abilities of all the statesmen and legislators of whom history has presented an authentic account". **

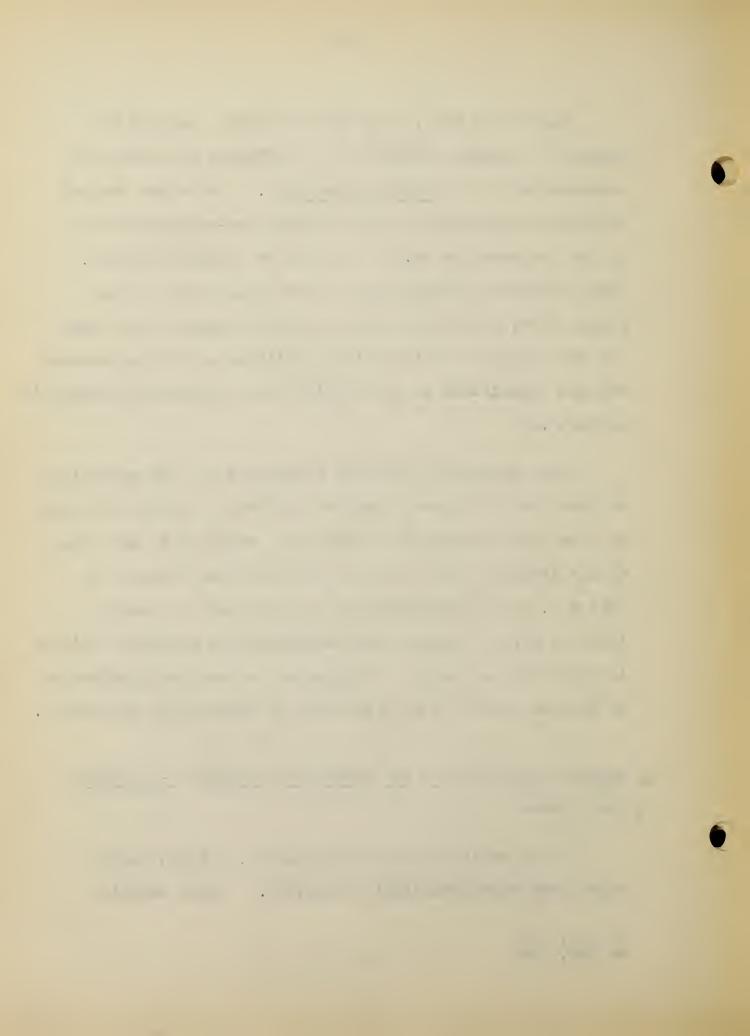
of these men in a purely English movement (as far as results go), we must nevertheless admit that, whatever we may think of the effect of free trade in practice upon England, we must all, be we protectionists or free-traders, concede that the work of these early economists has abundant fruition in the minds and hearts of Englishmen -- and the combination of mind and heart in an Englishman is practically unbeatable.

IV English Conditions in the Eighteenth Century (-- to 1806).

A Early Years

In the earlier part of the century, British tariff conditions were exceedingly unsettled. This chaotic

^{*} H-2, 116 ** H-2, 186



condition resulted from the lack of distinction between customs and excises, the two being on different principles.

The Customs Acts resulted in all sorts of confusion, and were of the worst possible sort. A. L. Smith, * in an ironic vein, writes of them, "The Customs Acts might have been described as Acts for the suppression of colonial timber, furs, sugar and fisheries; for the extinction of the English manufacture of hats, silks, and paper; for the extension of the adulteration of the necessities of life; for the promotion of the honorable profession of the smuggler; and for the general advancement of frauds, abuses and riots among all ranks of his Majesty's subjects."**

Indeed England regarded colonial commerce as a sort of monopoly of hers, in return for protection.

The advent of Walpole was important. It meant the attempt at systematization of the old schemes which were so antiquated. For example, Walpole desired to turn the customs duties into excise. He was willing -- if not eager -- to let the old system of discounts, allowances and drawbacks go, and to substitute for the large customs duty a small customs duty and a full tax as an excise when the products were delivered to the retailer out of the warehouse. His project foundered on the rocks of a public ignorance which

^{*} The authority on finance in Traill's Social England ** T-1, V, 119-120

·

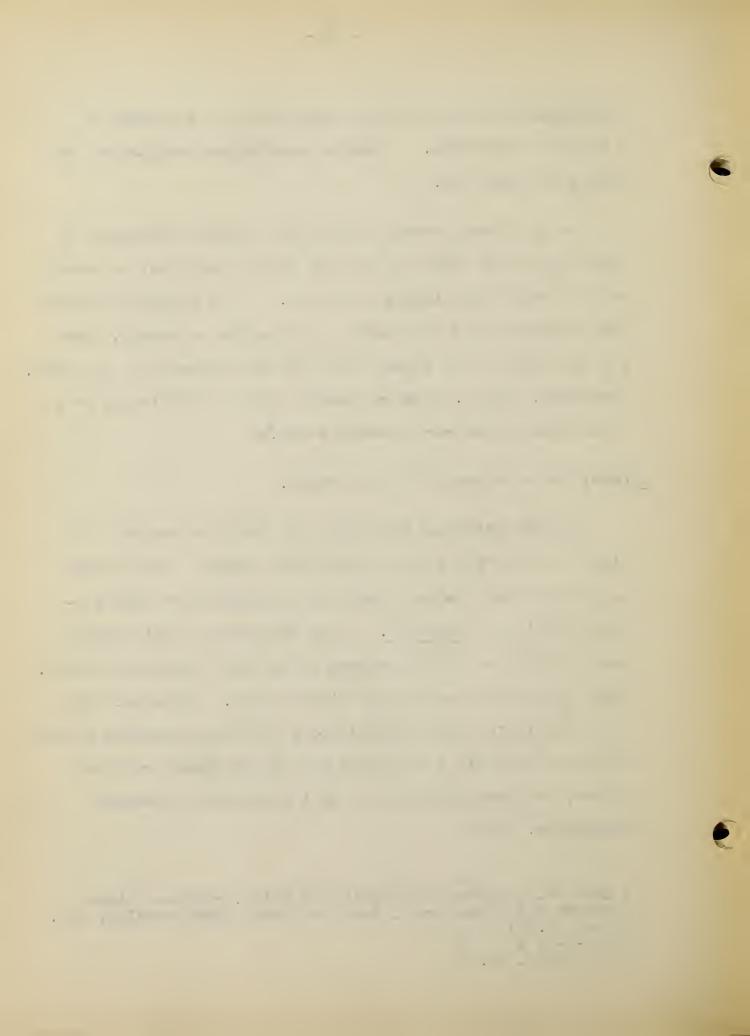
considered excise as slavery, and he had to surrender to a storm of criticism. General exultation resulted as the scheme was given up.

In this same period, each of the trades attempted to show that their trade was the one which should not be taxed, and all kept up an incessant clamor. All argued for their own interests, and all agreed on one point -- namely, that all the rest of the trades but their own deserved to be taxed. "Nowhere", says G. Townsend Warner, "is the difficulty of a Protective System more clearly shown."**

B Later Years -- and Pitt the Younger.

We have seen that Pitt, who set "hand to the helm of State" *** in 1783, was an avowed free trader; but we have also noted that the old tradition in England was strong -- the tradition of monopoly. The upholders of this theory were strong; so Pitt's reforms, as we shall see, were limited. Green states the position of Pitt clearly. He says, "His (that is Pitt's) power rested above all on the trading classes, and these were still persuaded that wealth meant gold and silver, and that commerce was best furthered by jealous monopolies." ****

^{*} That is, spinning and weaving of silks, woolens, linen,
 copper and brass, coal, iron smelting, glass working, etc.
** T-1, V. lll
*** M-3-1, l
**** G-1-iv, ch.lll



Pitt could not get Parliament to agree to adopt free trade, for reasons already set forth. But he began cautious reforms along the lines of commercial treaties, and of budgets.

The most important treat dated 1786, * was with France, in which most of the protective duties between the countries were either diminished or entirely swept away. The bill was successful because it was opposed by manufacturers and supported by landlords, in an "unreformed" landlord Parliament -- a complete reversal of which was to be effected in a similar free trade struggle in the following century. The obvious explanation is that the measure happened to favor the landlord interest in this instance, while in the next century controversy over the Corn Laws the reverse was true.

In one other instance Pitt kept his free trade vows in a treaty while he relinquished other cherished ideals of freedom. In the odious if necessary "Act of Union" with Ireland, in 1800, he attempted to establish a force which would mean the removal of barriers of Irish commerce.

Perhaps he did it as a salve to his conscience but perhaps, too, because of his sincere conviction that free trade principles were right. At any rate, he included in an otherwise obnoxious document a provision for "ultimate freedom of

. 1-----· · un .

commerce". This may have been aimed at the restrictive Mavigation Acts as well as at the state of the tariffs of that time.

His budgets show, perhaps better than anything else, his predilection for free trade principles. In 1784, one year after his arrival as a prime minister, he revised the budget considerably with a view toward placing the burden on those who could pay for luxuries. Seeing that the "excessive duty (119%, on tea) had led to such extensive smuggling that the revenue was defrauded, and that that reduction would stimulate consumption",* he lowered the tea duty to $12\frac{1}{2}\%$ ad valorem, though the budget showed a deficit of £6,000,000 yearly, and the National Debt was forty times as great.

Then, to make up the deficit, he put higher duties on other things -- such as licenses for driving and riding horses, silver plate and windows ** -- obviously taxes on the more wealthy.

It was due to these budgets and commercial treaties that English trade experienced a widespread increase during the first nine years of Pitt's administration (1784-1793). Imports had increased from £11,690,000 to 19,000,000 and exports from £14,330,000 to £24,500,000; while the 3%

^{*} T-1-v, 474

^{**} Idem

Consols in this period also increased in price -- the quotations on them being: Jan. 1784, $57\frac{3}{4}$; Jan. 1792, 93 3/8. Then came the war.

We have seen how Pitt had built securely for the prosperity of England and for her marine superiority. He was rudely interrupted in his course by the wars with Napoleon and the French, which were to sap British capital and try British courage ere long.

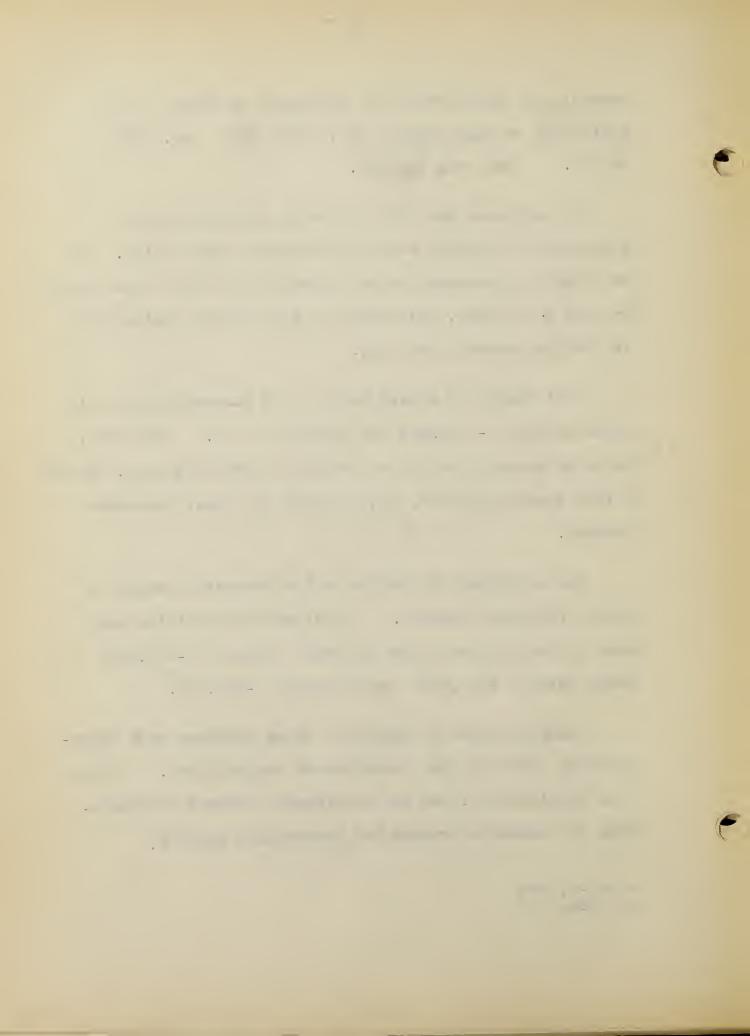
Pitt faced the crisis bravely and energetically, with great optimism -- indeed, an overdose of it. The wars, which he so confidently felt would be completed soon, lasted a full quarter century, and outlived the great statesman himself.

The early part of British action consisted largely of purely financial support. Considerable subsidies were sent to the British allies in 1795: Hanover, £478,000; Hesse Cassel, £317,000; and Sardinia, £150,000.*

Since the Bank of England's notes had been made inconvertible (1797)**, the Pound became unstabilized. Prices rose considerably, and the workingman suffered intensely.

Thus the economic problem had become more serious.

^{*} T-1-v, 479



However, the subsidies made to the allies led to higher taxes, and Pitt never flinched. In the 1796 budget, Pitt increased the assessed taxes 10%, and increased duties were laid on Horses, wine, tobacco and hats. Successor (inheritance) duties were to be paid by executors before property was handed over to legatees -- a measure to expedite their collection. In 1797, additions were made -notably, the duties on transfers, and on sale by auction. Stamp duties were doubled, and a 10% duty was put on legal deed. However, a deficit still resulted, and in 1798 the taxes, wherever the taxes were more than £25. were trebled. and the very high taxpayers' rates quintupled. On incomes of over £200 yearly, thus, one tenth became an income tax, and only incomes less than £60 were exempt. *

An examination of these taxes shows the tendency of all Pitt's Budgets -- to put the burden more on the wealthy by income tax and luxury duties, and remove it from the poor by lessening the duties on the necessaries of life, and hence equalizing to some extent the burdens.

Had Pitt lived, and the Wars never occurred, there is little doubt that Free Trade might have been effected by 1810, or by 1830 at the latest. Since the discouragements and worries of those Wars probably hastened the death of that

^{*} T-1-v, 480, Budgets, 1796-1798

-

statesman, the blame lies entirely with them. Indeed, the French Revolution and its attendant horrors killed or submerged every liberal influence in England for many years to come.

From 1784 - 1806 there was a steady increase in the ratio of population (which was increasing rapidly to meet the demands produced by Pitt's reforms) to food. Other forms of wealth had increased more rapidly than the population, but food was a poor third in this race of National resources.*

The war and its attendant tariffs were responsible for this. By 1801, there was a severe scarcity of bread, and bounties were offered for the importation of corn or flour. The Brown Bread Act of 1800 forbade the sale of wheaten bread of new bread, "as stale bread would go farther".** The people were urged to eat meat. Indeed, all foods were higher in prices than usual. For example, in 1801 the quartern loaf sold for ls.10d., butter for 2s. per lb., and salt was taxed very high at 15s./bu.***

The wages, by contrast, were low considering the costs, especially of wheat. The cotton spinner's wage was 32s.6d. for a 74-hour week, "which at the existing prices, was a miserable pittance".****

^{*} T-1, 482 ** T-1-v, 494 *** T-1-vi, 85 *** Ibid

.

The economic beliefs of people usually arise from peculiar economic conditions. The English were afflicted by the high price of corn, which the war had made it costly and risky to import, and so cut off otherwise valuable markets from which food could, under ordinary conditions, have been obtained in abundance. The result was natural -- an increasing and general demand for less and less tariffs on corn to lessen the lower class misery.

Pitt heard the hungry cries of the masses; and, while he could not harden his heart to their pleadings, he was forced by stern necessity to deviate from the course which he had set for himself, so well in keeping with the doctrines of his prophet, Adam Smith; and let it be said here to his eternal credit that he never fully gave up his policy.

However, he was forced to augment the national revenue to meet expenses, which had increased from £18,900,000 in 1792 to £33,000,000 in 1800.* To do this, higher duties were necessary, even though he should increase the burdens on property and successions; so he increased the customs and other duties which fell on the poor, thus giving way to some extent to the landlord interest -- which, as I have pointed out previously, was the major element.

. =15 . ---

The "Armed Neutrality" of 1801 also was a check to English commerce, and was adopted by Denmark, Russia and Sweden toward England. This made the conditions of the poor even worse, and to top this act the customs duties through sheer necessity were now made enormous. Pitt, as a true disciple of the Scotch Economist, had tried to lessen the burdens on the poor, and to gain the taxes from property and successions as before. However, "the landlord interest in Parliament was so strong that real property was exempted from some of its legitimate burdens".*

So Pitt had failed, to some extent. Discredited by the Irish Reform Bill, he was out of office from 1801 to 1804. However, during his absence the Peace of Amiens, negotiated just after he left, and the terms of which he heartily disliked, nevertheless, being a truce, had this beneficent effect -- with the new increase of trade, the price of food was lowered due to the large imports, and the people's condition was somewhat relieved.

Pitt's return after 1804 was but for a short stay.

Napoleon had broken the peace, and large sums were again necessary; yet when Pitt died on January 23, 1806, a discouraged, desolate man, broken in health and in hopes, the best frien that the cause of Free Trade had known up to

that time in the uncertain arena of politics, withal loyal even in adversity, had passed away.

- V The Legacy of the Napoleonic Wars
- A The Wars and English Liberalism

The Napoleonic Wars meant the death of English Liberalism -- or, shall we say, its enforced hibernation through the long and harsh winter of conservative reaction following The establishment of the French Republic and those wars. its terrific cycle of mob rule, followed by a despotism, had sickened even the most advanced of all reformers. Even Fox, the great orator whose radical Revolutionary ideas had astounded the Parliament and cost him his best friend. Burke, became at the last, though in the greatest pain from his last illness. a keen and active supporter of his own country as an exceedingly clever Foreign Secretary, against the French manace under the heartless Napoleon. It was the first time he had ever done anything useful to his country in his colorful career, and he finished it in a blaze of glory as a member of the famous "Cabinet of all the Talents".

Pitt, with the shadow of death but a few days off, had said, on hearing the news of Austerlitz, "Roll up that map (of Europe), it will not be wanted these ten years". ** He was right to the exact year. But though the spectre of

^{*} Jan. 9, 1806
** Stanhope's Pitt, iv, 369. M-3-1, 59

 Revolution had vanished, the memory if it lingered on for decades on the continent; and liberal reforms were out of order for years to come, even in England. And Free Trade had gone the way of all the rest of the new ideas.

B Prosperity of 1805 - 1815

We must now inquire into the condition of England during the latter period of the Wars. For this purpose, we note that the gross public revenue between 1800 and 1815 had increased enormously. At the same time the population was also increasing, but not so fast. The National Debt increased to nearly four times its former amount, and the interest on it to nearly five times what it had been.

However, despite the large war taxes, England increased in wealth steadily. We are told that the British got around the Milan and Berlin decrees by smuggling, so that "in the first ten years the British exports well-nigh doubled in value; the output of manufactured cotton in Lancashire had increased 100% in volume".**

To be sure, exporters who tried to expand in South America and the foreign West Indies imported in return sugar, coffee, etc. These could not be sold in the home market, since they interfered with colonial trade, which received a preference in England.

^{**} M-3-1, 198-199. Revenue, 5 64,651,000 in 1800 to 111,402,131 in 1815. Population --15,717,000 in 1801 to 17,927,000 in 1815

 On the whole, however, all classes prospered at first -the farmer on inflated war prices in corn and meat, the manufacturer and the mercantile interests in common by the large
markets, and even the landlords, who could raise the rents,
now payable by all.

Agriculture seemed especially favored. In 1811, wheat averaged 149s./quarter, and the quartern loaf 1s.3d., which "wrung the withers of the wage earners".* This meant it was possible to cultivate more land, and England set in this period a record for cultivation never before or since equalled.

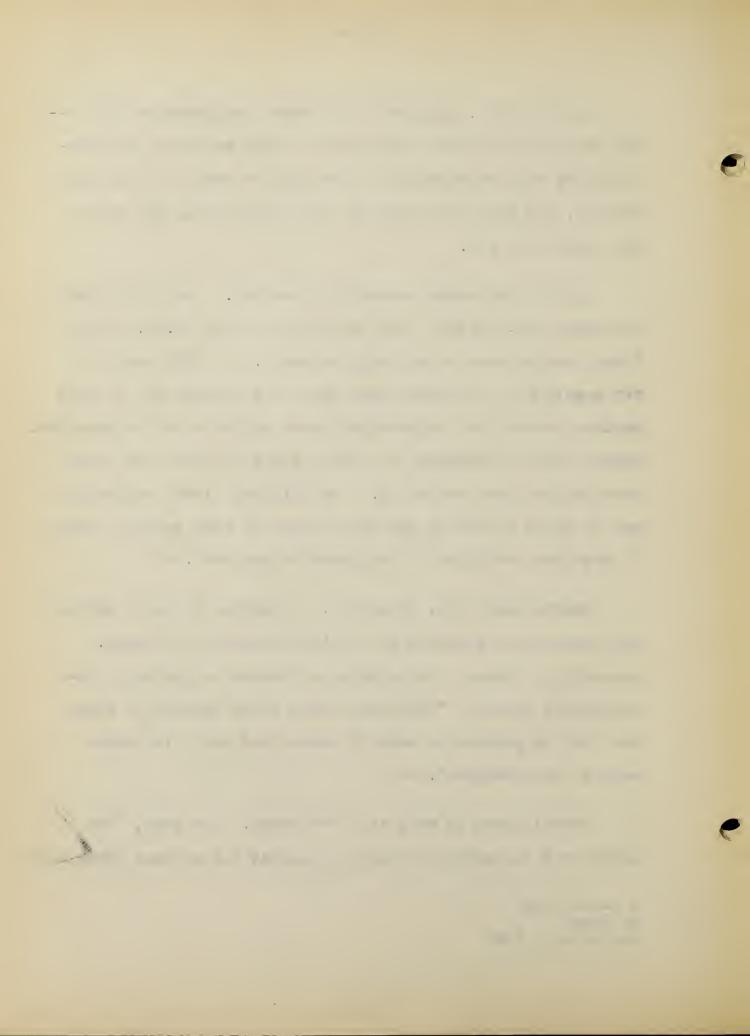
Maxwell says, "Thousands of acres, where the plow had never come before, were broken up. To this day (1909) landowners may be heard deploring the destruction of fine pasture, which it requires the lapse of centuries to restore".**

Manufacture, too, prospered. Markets had been scarce, but England now supplied her allies and even the French.

According to Green's much-quoted statement -- probably substantially correct, "The French army which marched to Eylau was clad in greatcoats made at Leeds, and shod with shoes made at Northhampton".***

Maxwell puts it ably in a few words. He says, "The people had the energy to turn to account the natural advantages

^{*} M-3-i, 168
** Idem
*** G-1-iv, 363



of the land -- its mineral wealth and fertile soil.... and
.... rendered it (Britain) the once place in Europe where
capital might be invested in productive enterprise with
reasonable security".*

C Effects of the Peace

A very pretty and robust picture has been painted here of Great Britain during the Wars, but under the surface all was not so well. True, she achieved new heights in trade; but the war had inflated business, and resulted in overproduction in certain lines, and exhaustive depression in others, resulting in a precarious balance of all the world's business, but more particularly of England's, which had been the supply for almost entire Europe for the duration of this period.

With the coming of peace, these troubles grew more acute. It has already been stated that certain manufacturers had overestimated foreign needs. The largest market was America, for Europe was still in a stupor from the conflict to the death which had just taken place. Furthermore, due to the English protective policy, the other countries could not pay for English exports. J. E. Symes says, "The only branch of our trade that flourished during these years was that with America, and this prosperity was due largely to the fact that there were no protective duties in cotton".**

^{*} M-3-i, 199
** T-1-vi, 87

**** • • 1 . -----

The return of an army and navy of 200,000 men, furthermore, enhanced the unemployment problem. In general, then,
plenty was not the result of the peace. Indeed, it has
been maintained that the peace inaugurated "little or no alleviation of the general misery. In fact, from the almost
universal complaints of bad Trade and lack of employment, we
should gather that the early years of the peace actually
aggravated the sufferings of the masses".*

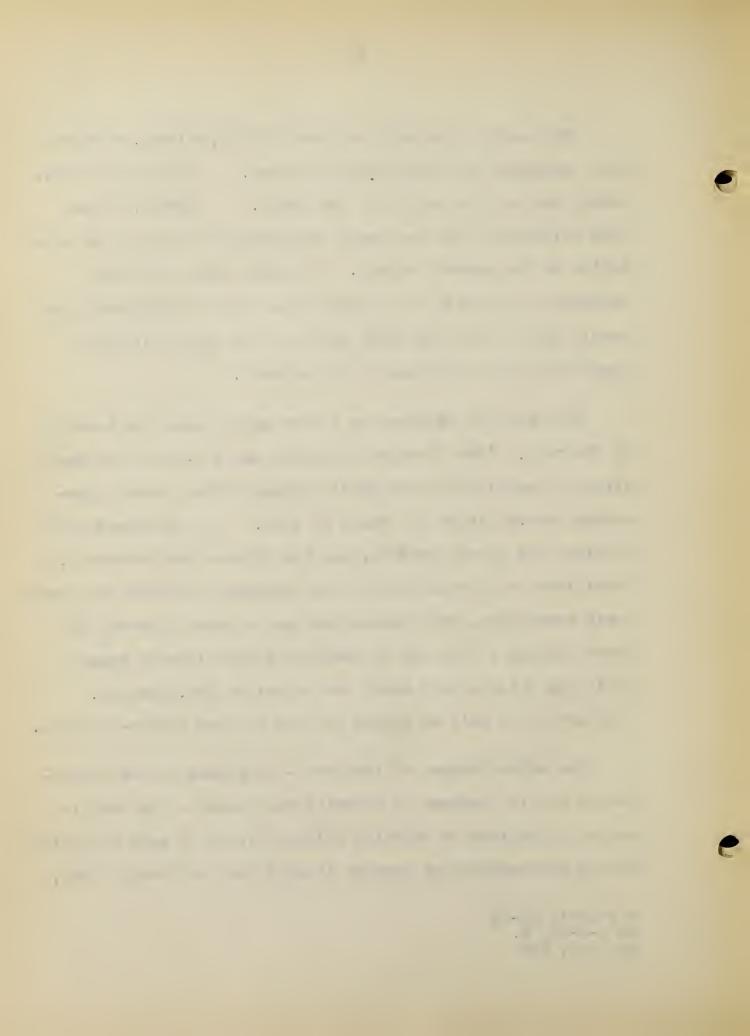
The House of Commons was a very poor leader for a nation in distress. "The Liverpool ministry was ill-fitted to deal with the 'condition of England' questions that thrust themselves forward after the Peace of 1815. It contained some ability, but little harmony, and its finance was wretched".**

Vansittart, the Chancellor of the Exchequer, reduced no expense worth mentioning, and allowed the agricultural interest to force through a Corn Law to prohibit importation of wheat until the price should reach the height of 18s./quarter.

This act would hold up prices on corn for the farmer-landlord.

The noble purpose of the law -- as stated by one historian*** for the purpose of excusing the farmer -- is that it
would aid England in becoming self-sufficing in case of another
war by encouraging the farmers to hold (and cultivate) land,

^{*} T-1-vi, 85-86 ** T-1-vi, 2. *** C-2. 877



and protect farmers from any fall in price due to the advent of "free" foreign corn. This argument is patently a rationalization. The true purpose of the act was to supply balm for the wounds inflicted upon the pockets of the farmer-landlords by post-war prices.

The fallacy of the landlord argument is apparent enough to the economist. Bastable says, "It (protection) raises the cost of the product, and either reduces the demand for it, or lowers the margin of production, with the result, that part of the increased value is returned in the form of rent, the remainder being absorbed in the production of the more costly portions of the article. The English Corn laws precisely illustrate this case".* He goes even farther and says, "Owing partly to the check on the increase of population arising from the dearness of food, and partly to the expense of pauperism, the landlords, on the whole, did not gain".**

Let us see how people fared after this. In 1816, the harvest, due to incessant moisture, was ruined. The result was all that the farmers hoped for. Prices on corn soared from 52s. 6d. per quarter in January to 103s. in December. ***

Maxwell says, "The bad harvest of 1816 had destroyed the only

^{*} B-3, 137
** Ibid
*** M-3-1, 201

 compensation in dull times -- the cheap loaf". *

The result of the high prices were the Luddite and other popular uprisings. The wage earners were in despair. Their iron and coal trades were injured and they were out of work. They rioted, burnt hayricks, and killed live stock, believing that the farmer's monopoly was responsible for the high price of corn. Some suffered on the gallows, and some were shot down by the soldiers.**

Dangerous revolutionaries were at work, establishing a Committee of Public Safety to seize the Tower of London.***

"Orator Hunt", so-called, organized revolutionary bands, and while they failed completely at the meeting Spa Fields, ****

he organized again under cover, and the result was that the Regent's carriage was stoned as he was returning from the opening of Parliament.

The result of these acts led to harsh measures. The Habeas Corpus Act was suspended from February 1817 - March 1818; and the radical press, which had experienced a sudden revival was not suppressed ruthlessly by the government. The longed for revival came in 1818 with a better harvest, when, in January the price of corn dropped to 85 s.; and the was reflected in a return of employment and the renewal of the

^{*} M-3-i, 210
** M-3-i, 202
*** T-1-vi, 89
**** Dec. 2, 1817

e e

Habeas Corpus Act in March. The worst period was at an end.

D. The Difficulties of Agriculture -- Its Position of Strength

Agriculture was in a rather awkward state. Its apparent prosperity during the Napoleonic Wars was not of a sort which pervaded the whole industry thoroughly -- and surely the industry which could not manage a complete prosperity in the most favorable times could scarcely hope to run smoothly when the times became more difficult.

We have seen how the farmers cultivated all the land possible. They could do this because of the high price of corn, which made it profitable to cultivate even the poorer land.

However, the investment in land was not always a sound one. R. E. Prothero says, "War prices and the Corn Laws made farming almost a gambling Speculation; the wheat area alternately swelled and contracted; violent fluctuations in the purchasing power of money accentuated the depression, which resulted in widespread distress among both landlords and tenants, and aggravated the discontent of the agricultural laborer".*

The effect of the Peace of 1815 bears this out. In 1816 when a 25% reduction in farm rents occurred, the farming

. elements were unable to recoup their losses until the next fall, after the bad harvest of 1816 had forced the price of corn up again.* This fabulously high price was bound to be temporary; and, indeed, in the very next year, with a good harvest, prices dropped considerably. They continued to fall until in 1819, they were so low that no corn was admitted,** and this state of affairs continued from February, 1819 to the midsummer of 1822. In this period the yearly average dropped to 54s. 6d., in 1821.*** Terrible consequences resulted, to the landowner and to all those dependent upon him.

Why did the farmer invest so much? We have seen that it was exceedingly profitable under wartime pressure to farm. Furthermore, though the rents became higher, "the profits of the farmers outstripped the rise".**** This was the direct result of new crops and new implements, due to an improved farming efficiency fostered by the fine example of men like Arthur Young.

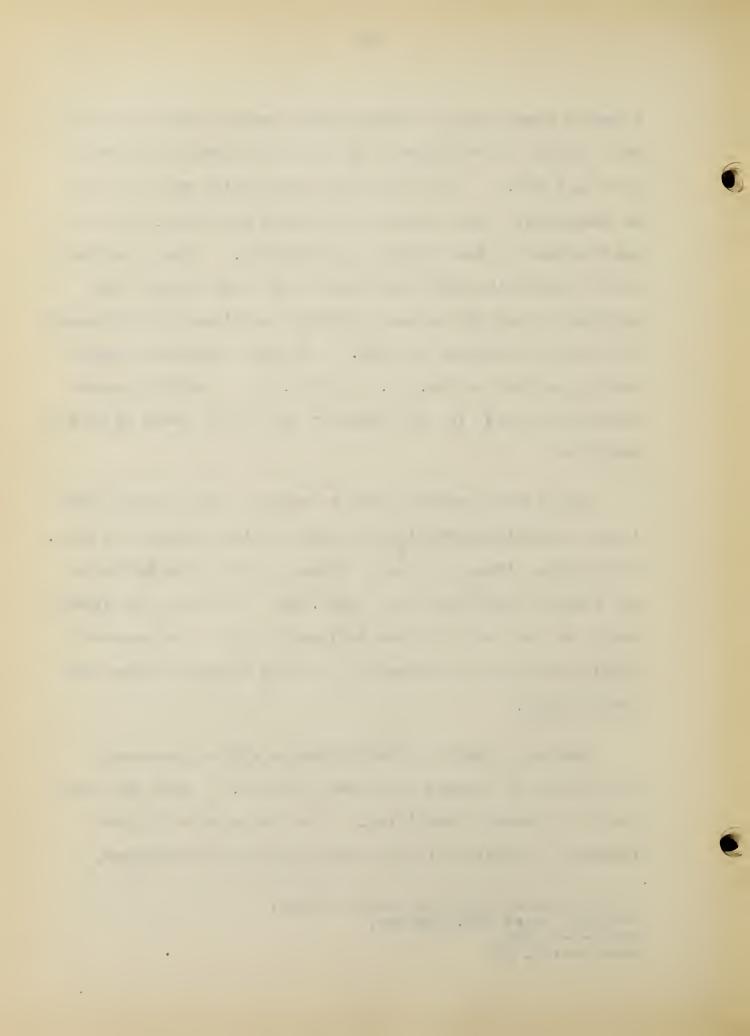
However, though the new enclosure system increased efficiency, it damaged the lowest classes. Only the land-lords and tenants benefitted. The large bulk of hired farmers, increasing with the disappearance of cottagers,

^{*} See Section V,C,2 for actual prices.

** i,E., below 80s./quarter.

*** M-3-i, 257

**** T-1-vi, 78



found themselves in much worse straits than ever before.

Indeed, this was true for all hired help, since the Corn

Laws swelled the price of food, keeping it above the reach

of the poor. Furthermore, we learn from Bastable that not

only the best land, but mediocre and even very poor land was

cultivated under the stimulus of the Corn Laws. During

times of low prices this cultivation was unprofitable, and

all those connected with the poor land were ruined, especially

the hired laborers who were thrown out of work.

R. E. Prothero sums it all up in the following statement:
"For landlords and tenants the period was one of unprecedented prosperity; for wage earning laborers it was one of almost unparalleled misery."

The landlords held other advantages which gave to the landholding interest the greatest solidarity of any in the Kingdom. This unified feeling was due to a sort of community of interest, still nearly semi-feudal. Many of the farm tenants had held the same land of the same lord for generations, since the old feudal days when a man owed his lord and master the duty of services and of honor. Many, too, of the farm laborers were in a like position toward their tenants, and had become attached to their land, and home, as well. These two lower classes each looked to the classes above

^{*} B-2, 137. He adds in a footnote on this page, "While the best land yielded 40 bu. of wheat, some land in cultivation gave but 8 bu."

· · 4 -3

them respectfully and felt a sort of reverence as toward the King, who many ignorant rustics still undoubtedly believed to rule by divine right.

They were thus inclined to look up to these lords or tenants as the source of all good things, and believed them to be oracles of wisdom. For were these men not their peers? When someone said, "The English love a lord", he mush have been thinking of the farmers particularly.

The merchant classes were far from such a status; indeed, they were usually undiplomatic, far less likely to be reverenced, and more likely to be openly opposed and abused by their laborers; who in their towns had mush less tradition to keep them under the thumb of their peers, and were strongly disposed to riot with the mildest sort of excuse.

. . r

VI Early Attempts at Free Trade Reform Abortive.

A The New Ministry of 1822 -- Huskisson's Reforms and the Trade Revival

The ministry was reformed in 1822. Peel, later the leading figure in the movement for Free Trade, supplanted Lord Sidmouth as chairman of the Bullion Committee.

Castlereagh, a suicide, was now replaced by Canning. Robinson became Chancellor of the Exchequer, and Huskisson headed the Board of Trade. These four men were of outstanding ability, and were sure to make themselves heard. Two of this group, Peel and Huskisson, became vital factors in the free trade controversy. Huskisson was a convinced free trader from the start, and Peel later became the man on whome the onus of the repeal ultimately rested, and gave his political reputation for the cause.

For the present, we are concerned with Huskisson and his trade reforms. Huskisson was a man of great ability in finance and commerce. He has been called the greatest authority of his time in these matters, with talents relatively unrecognized because of his awkwardness, really a reserve, and "partly because he was distrusted as a free trader".*

Huskisson had refreshingly different ideas than his contemporaries about British Trade. He believed that the

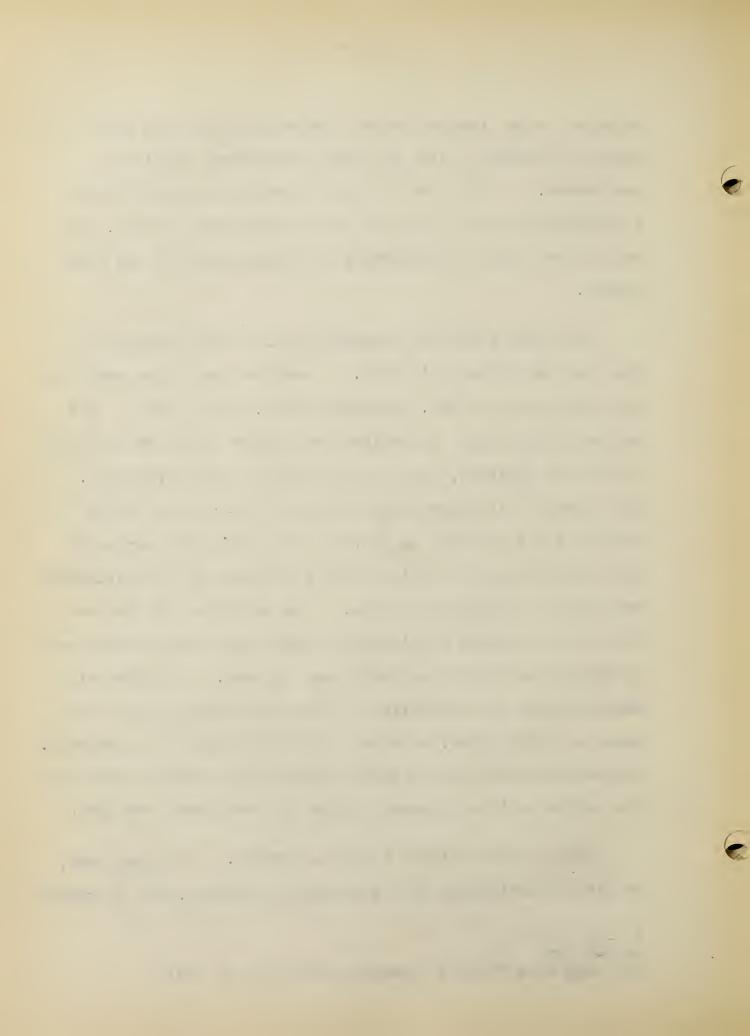
 colonial trade interests were "inseparably bound up with those of England", * and that they furthermore should be considered. With this in mind he revised the tariff with a comparatively small duty to protect the manufacturer, and reduced the duty to a minimum on raw materials for the same reason.

His first important innovation was in the revision of the corn law downward in 1822. Corn was now to be admitted when the price was 70s., instead of 80s., as in 1815. satisfied with this, he revised the budget to abolish as many tariffs as possible, and to reduce more of them gradually. The altered list ranged from 15% to 30% ad valorem, while before it had been 18% to 40%. ** Of these, the wool and silk industries were relieved and stimulated by a considerable reduction of protective duties. In addition, the tax on raw silk was almost abolished, on spun silk about halved, and on manufactured silk the tariff was reduced. British silk manufacturers who had believed they would suffer ruin at the hands of French silk, were able to sell in the French markets. The manufacturers, who had been hampered by import duties and the agriculturists by export duties on wool, were now free.

Huskisson was not yet through, however. In june 1823, he had the navigation laws practically repealed.*** In twenty

^{*} C-2, 875 ** C-2. 876

^{***} They were finally repealed completely in 1849.



years the now relatively unrestricted British merchant marine increased in tonnage 40%.* His trade reforms also included a "Reciprocity of Duties Bill",** by which European countries were allowed on certain conditions to deal in the colonial trade, in return for similar privileges to Great Britain.***

Machinery exports were allowed, and the emigration of laborers.

As a result of these changes, the colonies saw that

Great Britain was not entirely selfish, and as a result developed a new sense of loyalty to the Crown. The increase of

trade in all lines became marked. Shipping, which had increased 10% in the nineteen years previous to these reforms,

was to increase 45% in the twenty-one years following.

Exports which had dropped from £ 45,000,000 in 1814 to

£ 38,000,000 in 1920, due, undoubtedly, partly to the decline
of agricultural imports during 1819-1822,*** now experienced
a definite revival and an immediate increase over the 1814

total, and reached the amazing total of £ 49,000,000. The
reduction in revenue rates was practically made up for by
more trade, and the smuggling existing under the old rates
was, by Huskisson's method of low rates, discouraged because
it was not profitable to take such risks to try to beat them.

^{*} T-1-v1, 90 ** C-2, 875

^{***} In 1814 the United States had concluded a separate treaty to approximately the same effect.

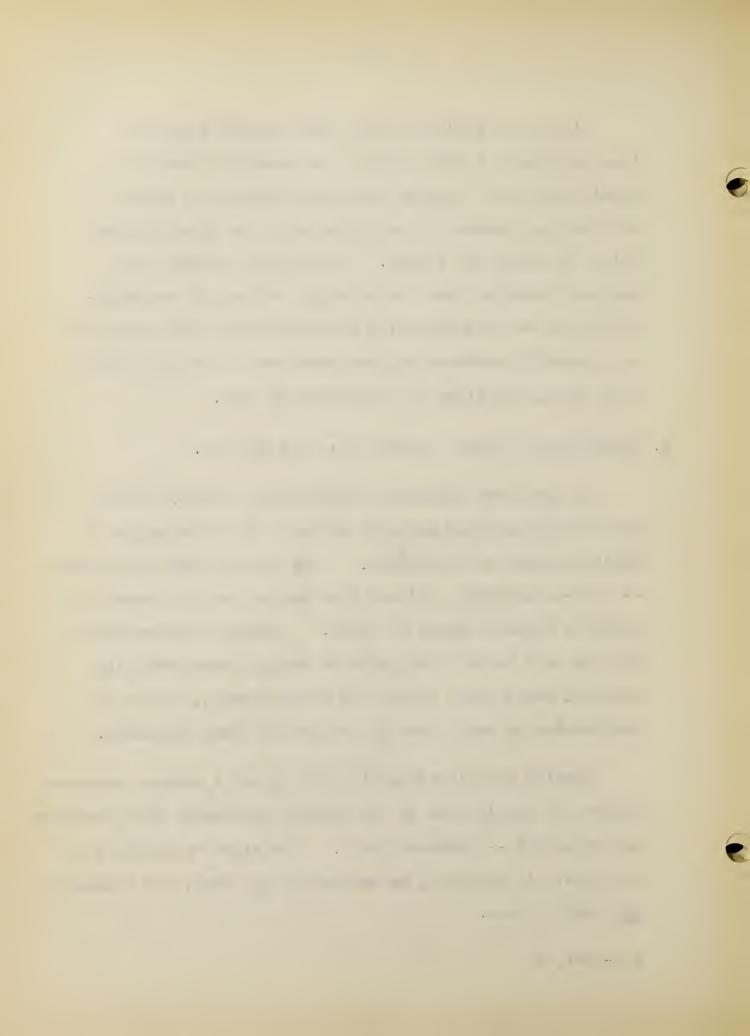
**** See p.30

 It must be admitted that other factors played an important part at this stage: the recently liberated Spanish-American Colonies and Brazil opened new markets, and the improvements of relations with the United States after the peace was steady. Furthermore, Europe, now awakened somewhat from the lethargic effect of the Napoleonic Wars and the resulting reconstruction, had recovered as a possible consumer and producer, and was in the market once again, her stage of convalescence over.

B. Depression of 1825 -- Reasons for and Results.

So great was prosperity everywhere, resulting from this widely assorted group of markets, that the people of England became overconfident. The natural result followed -- over-speculation, follwed by a panic, and the crash of a people's economic house of cards. Though the Government did its best to hold the panic in check, great suffering resulted among those thrown out of employment, due to the contraction of credit and the failure of many companies.*

Viewing the situation with the eye of a present business expert, we should ome to the obvious conclusion that Huskisson had done well -- extremely well. We might be inclined to feel that, if anything, he had worked too fast, and attempted too much at once.



c Failure to Amend the Corn Laws - 1827 - to Huskisson's Death

The depression had one important result. During the panic and failures great distress was prevalent, and rioting followed. Huskisson's decision was aided by these conditions, and when it crystallized he was fully persuaded to change the Corn Laws. Indeed, the conditions themselves, so patent to all, were a vital factor in persuading a Tory cabinet, like the one of which he was a member, to attack and help to break down their own special privileges.

Huskisson now pursued a rigorous campaign against the Corn Laws. The Sliding Scale was established in 1822, and was a typical Tory measure, to stabilize the price for the farm interests -- so they imagined.

In 1826 the scale was to be altered, so as to lower that of 1822.* The one of 1822 had been so modeled as to cut off importation after the price of wheat was 70s. The present aim was to reduce this.

The agitators for cheaper bread in 1826 were artisans, hired agricultural lborers, and the merchants and manufacturers (to whom low priced corn meant lower wages.**)

^{*} T-1-vi, 91. The 1822 scale was: Price of Wheat 50s./quarter 38s.6d. 58s. 16s.8d. 1s.

^{**} Indeed it was the support of the selfish manufacturers which so long discredited the Anti-Corn-Taw movement.

The reasons are not hard to discover. Hired help of all kinds paid most of their incomes in bread. The cheaper loaf would increase their earning capacity.

The upshot of the whole affair was that the Government supply of corn should be sold at 80s. Even the agriculturists dared not oppose this because of the coming election, and, since it was a temporary measure, admitted, thought their opponents, that their protection was at the expense of the consumer.

The Corn Law amendment failed. Lord Liverpool, who had reconciled the warring factions of his cabinet, lay stricken with paralysis, Feb. 17, 1827,* and Canning was broken in health; while six other leading members of the cabinet (including Wellington, Eldon, and Peel, who was later the soul of the Corn Law Repeal) refused to serve.

Huskisson was the only great man remaining in the cabinet. He managed to push a bill past the Commons (Mar. 1827) which would reduce the price limit to 60s. where the importation of corn should stop. In the Lords, Wellington blocked the bill by an amendment, which was against custom. Canning, as head minister, discouraged by his failure, died**, embittered by party strife.

^{*} c-2, 878 ** Aug. 8, 1827.

4 T .

Wellington now took over the ministry. Huskisson, showing his usual lack of tact, resigned in 1828, after supporting a lost cause -- to assign to Manchester the seats lost by the defunct disenfranchised borough of East Retford. The rest of the Canningites also left with him. In the next year he was killed by falling under the train at the opening of the railroad from Manchester to Liverpool. Thus passed the second great friend of Free Trade.

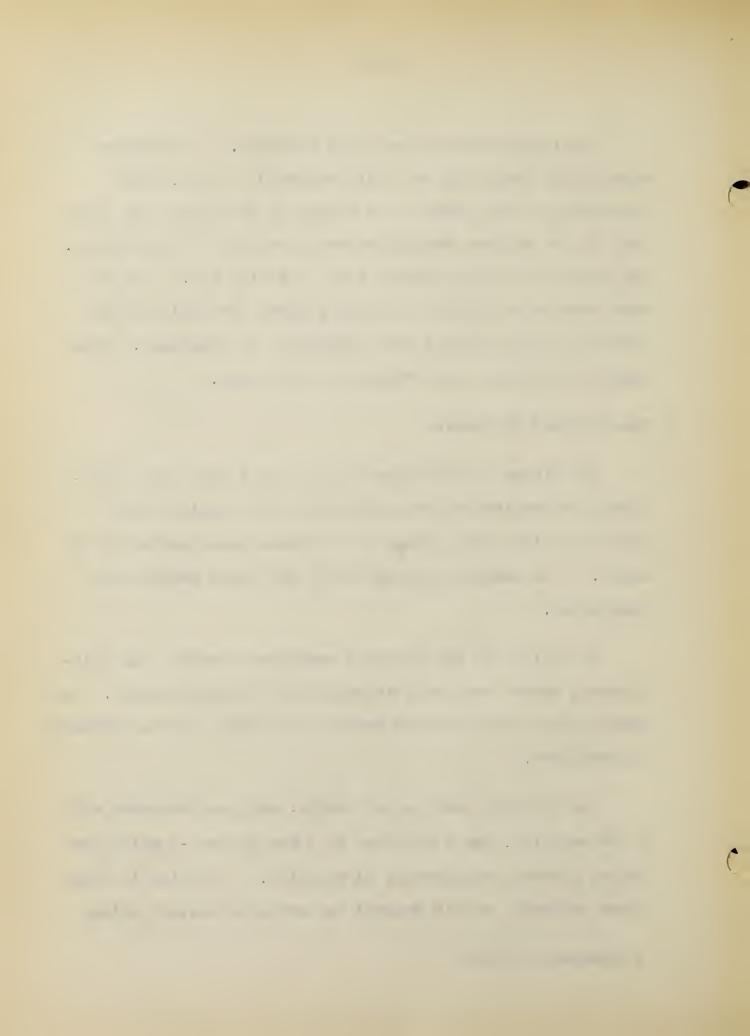
D The Reformed Parliament.

The winter of 1830 turned out to be a hard one. Rick-burning characterized the agitation in the agricultural section of the South, while the Artisans gave trouble in the North. In addition, one-fifth of the Irish people were unemployed.

To pacify the starving and unemployed people, the politicians, under Lord Grey, attempted an electoral reform. The Reform Bill passed the 2nd reading by 1 vote, but was defeated in committee.

The ministry went to the people, and were returned with a 130 majority, and a stricter bill was formed -- which the lords, however, rejected by 41 majority. Rioting in large forms occurred, and in Bristol the crowd controlled things

^{*} Palmerston & Lamb



for 48 hours. Finally Grey forced the bill through the Lords by the threat of the Monarchical power of making peers. Thus the Reform Bill passed.

What effect would the new Parliament have on the Corn Law Question? The bill marks a new era of middle class rule -- one which favored, on the whole, free bread. Yet little headway was made, and not for some years was this question even of any importance.

E Jeremy Bentham and the "Not-the-time" Argument

In 1833 Jeremy Benthem and many other popular writers appeared. Bentham's Book of Fallacies advocated Free Trade, and exposed the evils of the protectionist system. He was ably seconded by other writers of this period.

Earlier in 1828 Col. Thomson had published the Anti-Corn-Law Catechism which was also of great influence and for ten years after its publication was of considerable importance, until the more active work of the Anti-Corn Law League supplanted it.

But even as early as 1833, we find the government's ministers saying that this was "not the time" * -- an argument used for many years and to be used for many to come. In

saying this they practically admitted Free Trade to be the better system. The people were largely uninterested at this time, however.

F Prosperity of the Masses - 1837 - Factors of Trouble Remaining.

By 1837, the English people, on the whole, were prosperous again, due to the lowered duties on many raw materials and food stuffs. However, certain other factors had been disregarded -- sanitary and labor legislation, steam and electricity, adjustments to new industrial conditions -- which came inevitably to people's minds, and caused them discontent. In their wrongs, the people thought more, and by 1838 we find them breaking out in a Free Trade Agitation against the accursed Corn Laws.

G Reasons for Failure of Early Attempts of Corn Iaw Repeal.

The reasons for the failure of early attempts to repeal the Corn Laws may be summarized in the following way: Prejudice against Free Trade, the unreformed parliament's landed interests and its corruptness, lack of well-organized popular support*, under inspiring leaders, and interest in other liberal measures such as the Reform Bill and the Factory Acts.

^{*} By comparison with later leaders like those of the Manchester League

. ____ - 1 1 1 1 - - - 1- --.

VII The Reform Movement and its Successful Culmination. (Through the repeal in 1846).

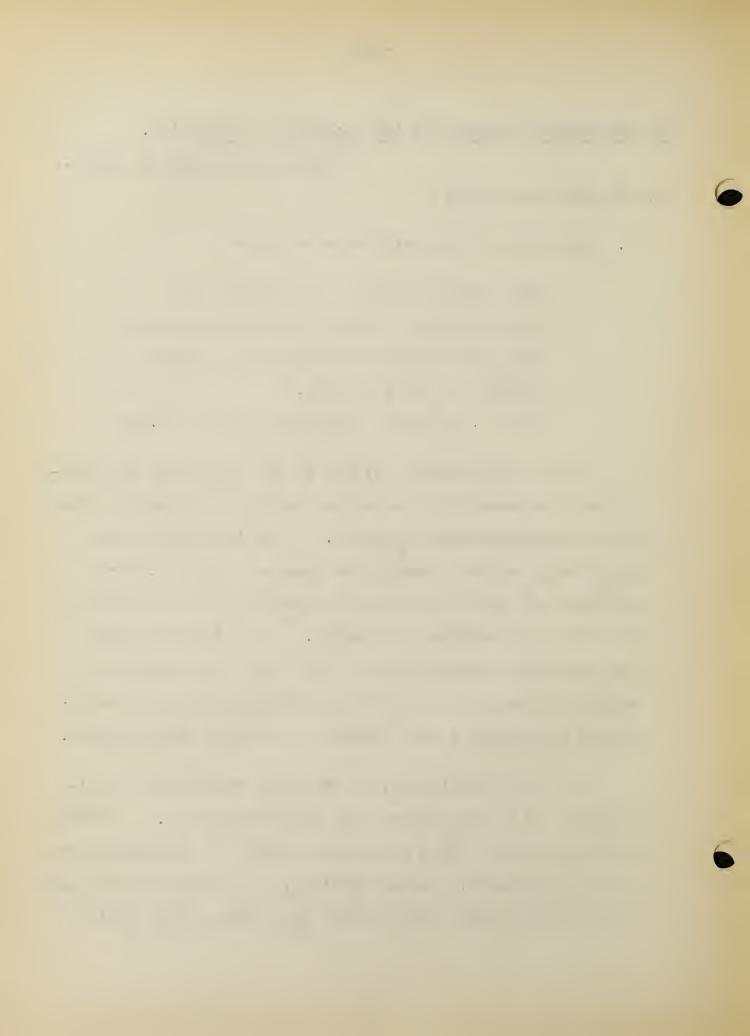
- A. The Manchester School
 - 1. Beginnings of the Anti-Corn-Law League

"Who opposes himself to the demands of the people, may achieve a temporary success, but the strength of numbers must always assert its power at last."

(Sir S. Walpole -- England -- Vol. 1, p. 432)

One of the greatest factors in the failure of the AntiCorn-Law movements of the earlier period was probably a lack
of an organized popular support. The individual works
published, and the disorganized popular movements, were
sporadic and wholly inadequate to produce any real effect
upon even the reformed Parliament. The draw-back with
the Agitations themselves, was that they had scarcely any
supporters outside of the working classes, except a few impractical idealists and a handful of selfish manufacturers.

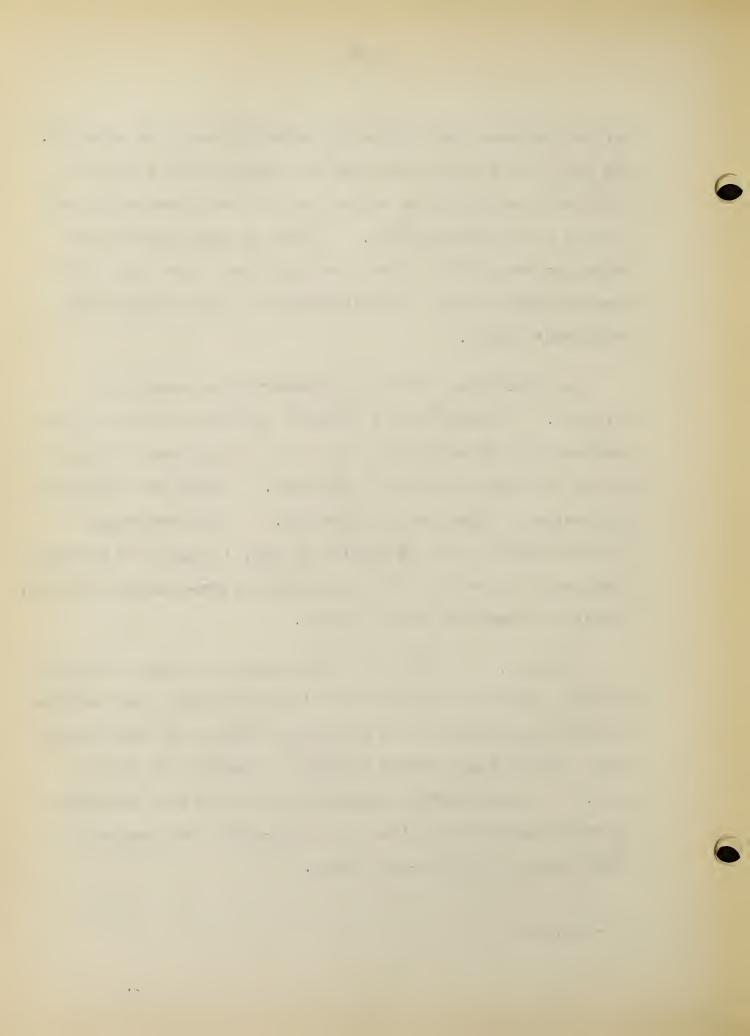
In Parliament itself, we have seen Huskisson's difficulties, as a Free Trader in an unreformed House. Indeed, the only certain thing about the movement in the Commons was that each year Mr. Charles Villiers, a high-minded Aristocrat and convinced Free Trader, would put a Free Trade motion



The only virtue in his work was its persistency, but it was this very quality in the entire group of reformers which was soon to have telling effect. These discrepancies in the Repeal movement which I have just set forth were soon to be remedied and the Free Trade influence at last extended into Parliament itself.

The Manchester School of Reformers were responsible for this. It began with a group of important merchants and manufacturers of Manchester, who put out the annual reports of the Manchester Chamber of Commerce. These men wanted an application of Adam Smith's theories. They encouraged "laissez-faire", but, in justice to the, it should be mentioned that many of them were also interested in humanitarian reforms, especially those for Child Welfare.

After Mr. Villier's Free Trade motion of 1838 had failed, 220-150, they believed that "the time was coming when men were to see that nothing was to be expected from a reformed Parliament, without such outward pressure as carried the Reform Bill."* They therefore determined to force the Parlament to make concessions to them by a wide-spread and comprehensive movement for Corn-Law Repeal.



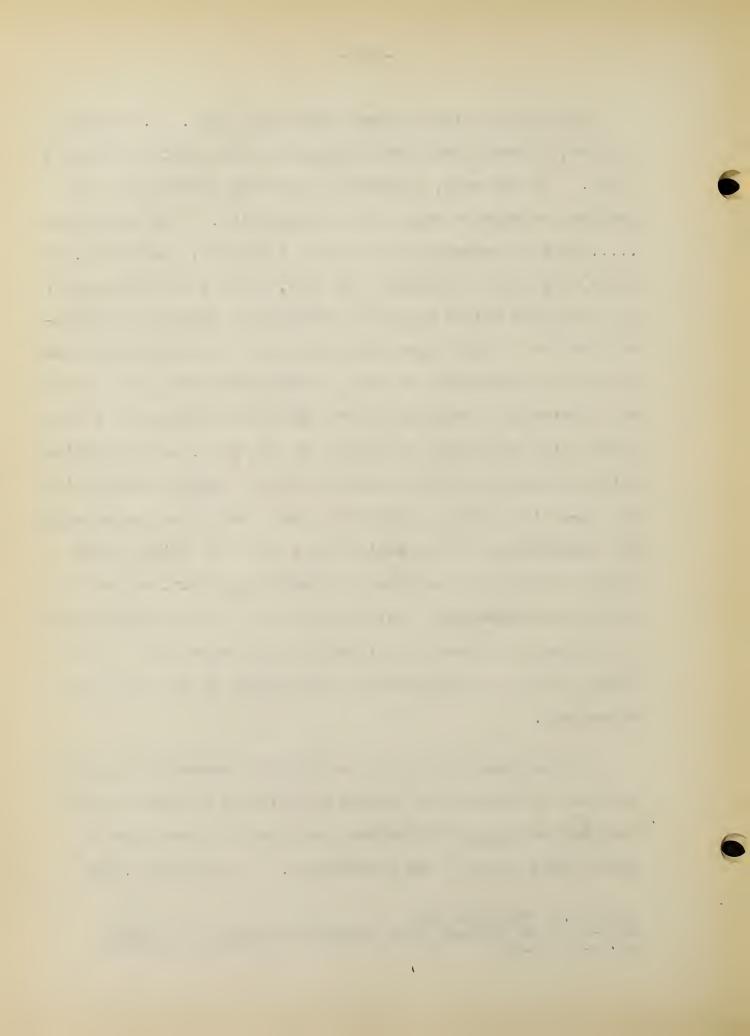
The difficulties of such a task were many. M. Frederic Bastiat, a French Free-Trade economist, * has admirably stated He has said, "Certainly there was needed more than ordinary courage to face such an enterprise. The adversaries were in possession of riches, influence, the Church, the State, the public treasure, the soil, places, and monopolies; and they were walled around by traditional deference and veneration." ** And Rogers has pointed out the apparently sound position of Protection in the following sentence: "Protection was treated as a compensation for peculiar burdens, as a stimulus to the investment of capital in the soil, as a condition without which the British farmer would be unduly weighted in the race with foreign competition, as a means for guaranteeing the independence of the nation, as a state of things which though it might be justified on abstract grounds, was so habitual and familiar, that it could not be dealt with except by disturbing colossal and important interests." *** All these must be conquered before the success of the object to be assured.

In the face of all these admittedly tremendous obstacles, material and moral, the leaders of this new movement decided that success could be obtained, and that the best time to start using pressure was immediately. Accordingly, the

^{*} See p.6, footnote ***

** P-1-i, 90 Extract from Bastiat's Cobden Et La Ligue

*** R-1, 32-33

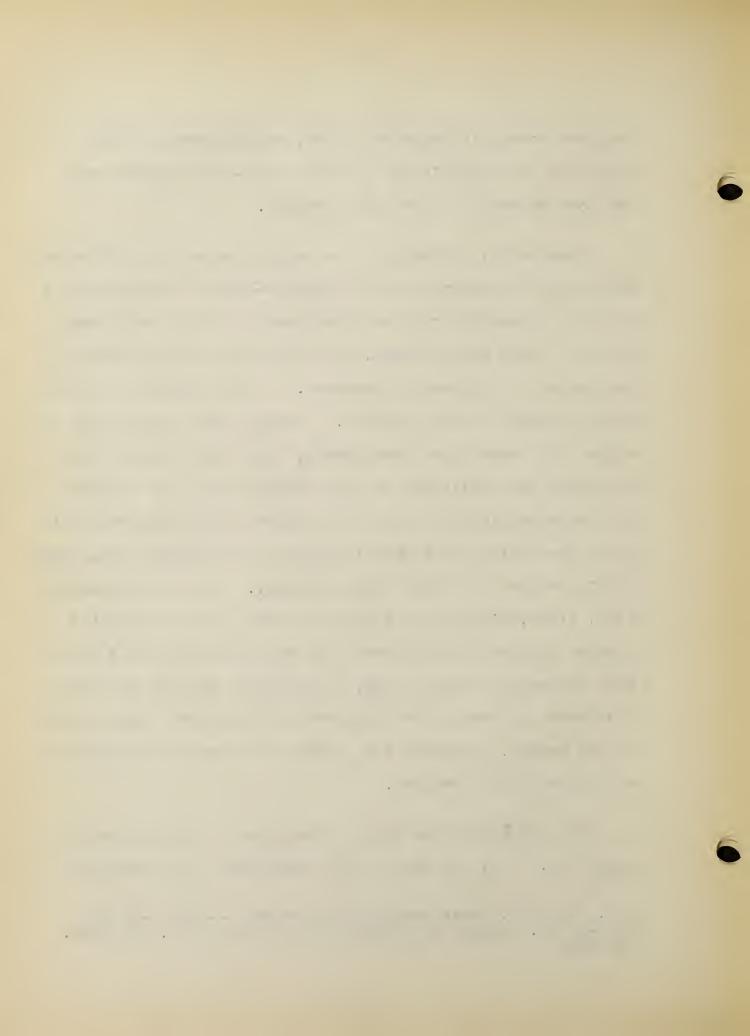


pact was formed in September, 1838, and Manchester "the cradle of the Agitation of the Anti-Corn-Law League"*, was the town selected to head the movement.

Manchester, the center of a large manufacturing district, was an ideal location for the fountain-head of the agitation; for the classes affected most unfavorably by the Corn Laws were the hired day-laborers, who were to furnish the body of the support of the entire movement. The leaders, too, were manufacturers in this district. Indeed, some authorities ** argue, with some truth undoubtedly, that the repeal of the Corn Laws was really due to the manufacturers, who insisted on the concession of Free Trade because of the greater strain which the Factory Acts *** put upon them, and impute thoroughly selfish motives to their whole struggle. This is an extreme view, since, without the almost universal and enthusiastic popular support they received, the manufacturers could never have effected a repeal; and, furthermore, many of the manufacturers, and even some landlords who would have been injured by the repeal, supported the movement for the most unselfish and philanthropic reasons.

The agitation was begun as soon as it could be gotten under way. All Lancashire was organized, with Manchester

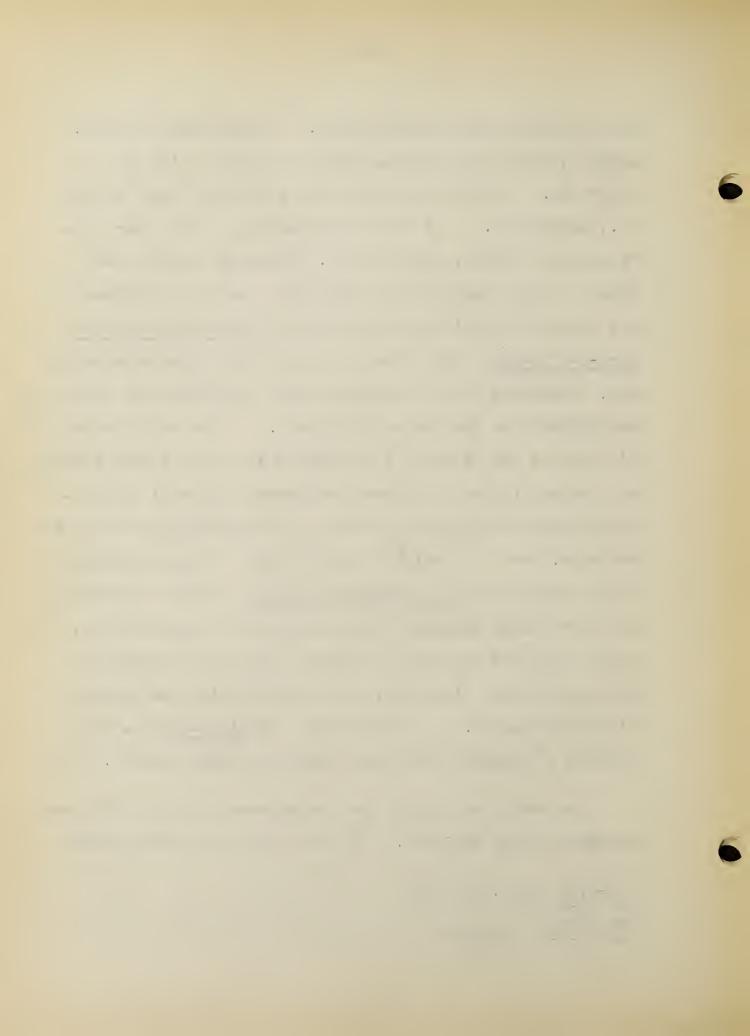
^{*} E. G., Prof. James Edwin Thorold Rogers -- See R-3, 19
** B-3, 49. Speech of Cobden in Manchester, Oct. 19, 1843.
*** 1833



as a veritable Free Trade Capital. Money subscriptions, pamphleteering and lecturing were the order of the day -every day. The first "systematic agitation" * was in King St. . Manchester. At least one newspaper of the town, the "Manchester Times", edited by Mr. Archibald Prentice, who became in the course of the agitation, one of the members of the League's Council, and later wrote History of the Anti-Corn-Law League, threw itself into the cause whole-heartedly, and, "compelled to be an agitator when agitators were scarce". ** was faithful to the League throughout. Its editor says, in his work on the League, "I resolved that my pen should allow no landlord fallacy to appear unanswered, and that my newspaper should be devoted to record the proceedings of the new mo vement." *** By April of the next year a regular weekly League Organ, the Anti-Corn-Law Circular, existed, and in a few short weeks expanded its circulation to 15,000 copies, which were read and lent to friends, and finally mailed to the agricultural districts, greatly disturbing the protectionist landlords. By this system the Circular was, says Prentice, "probably read every week by 200,000 persons." ****

The early meetings of the League were marked by violence, as Cobden later admitted. He said, "We were charged with

* B-3,33. Dec. 20, 1838 ** P-1-i, 89 *** Ibid **** P-1-i, 127-128



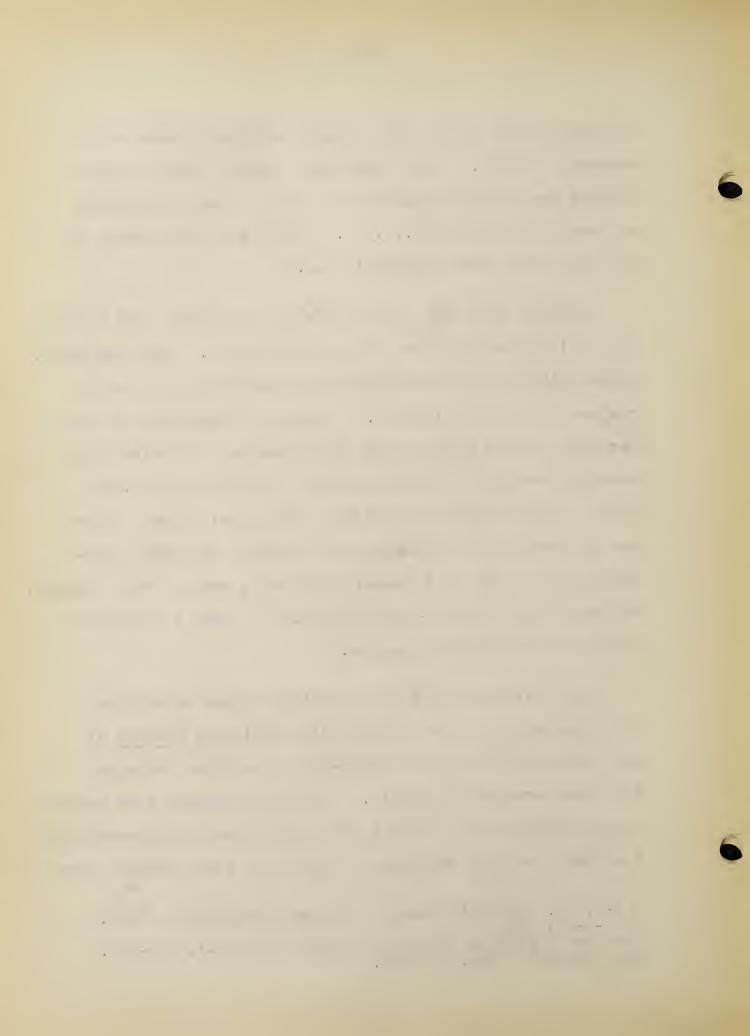
violence at one time; and I really believe we used to be somewhat violent. Five years ago, (1839), when we began, we were small and insignificant, and very poor; fighting our way up in the World...... There was some excuse for us; our cause was a desperate one."*

Indeed, there was "some excue" for violence, and it was not entirely on the side of the Free Traders. The Chartists, whose agitation had failed miserably in 1838, were partly responsible for the trouble. They all considered the Corn Law Agitation as middle class in interests, "in which rich manufacturers and merchants played an important part." **

These Chartists were divided into two camps: first, those who believed that a reduction of the bread tax meant a reduction of wages; and second, those who, even if Free Traders, believed this a middle-class agitation to take the popular mind off the "People's Charter."

The disturbances that the meetings became so serious that the leaguers were forced **** to admit only members of the Association at their rendez-vous, the "Corn Exchange", and these members by tickets. College students gave trouble in Cambridge and the college cities all through the year 1839, and their rowdyism consisted of the usual clash between "gown"

^{*} B-3, 65. From his speech at London, February 8, 1844. ** T-1-vi, 225 *** Due largely to Chartist Workmen, See P-1-i, 116-119. **** Beginning Mar. 4, 1839.



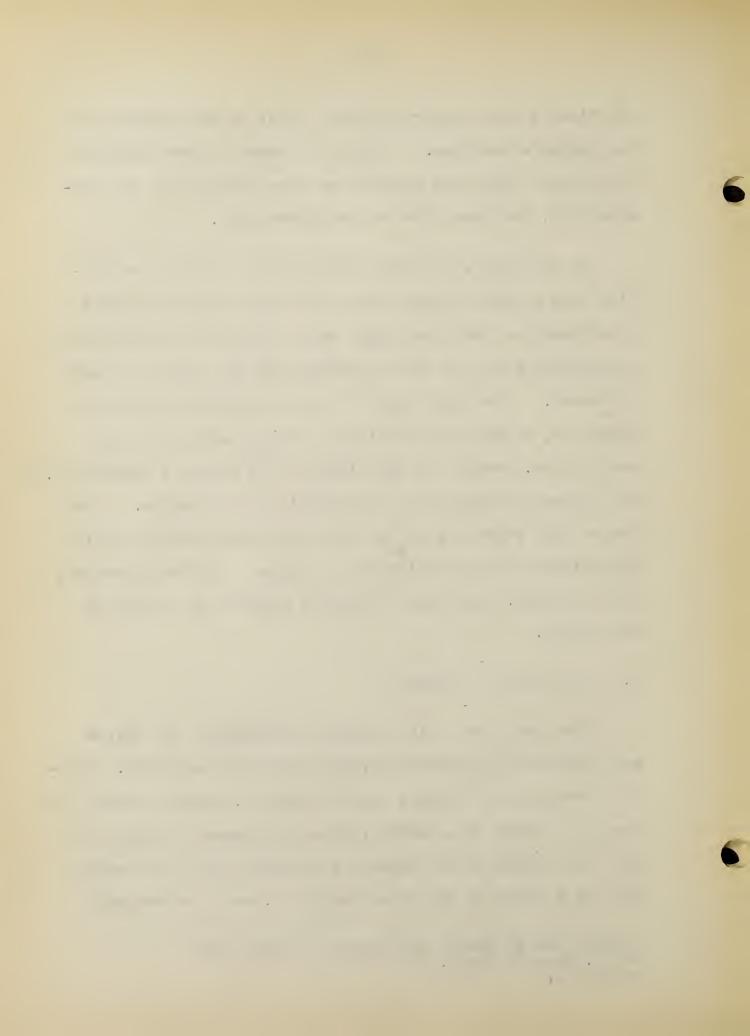
and "town", this rivalry showing itself in disturbances at the League's meetings. This is perhaps further explained by the fact that many college men were the sons of the conservative, landlord class of propertied men.

On the whole, however, the meetings and other activities were a great success, and the League was soon forced to abandon the "Corn Exchange" hall, which was too small and cramped the style of their speakers and the bodies of their listeners. For the purpose of more commodious quarters, therefore, a Free Trade Pavilion* was raised on the land owned by Mr. Cobden, on the field of the historic "Peterloo",** who granted it freely for the benefit of the League. The League thus ended its early period very successfully having established a regular circular, a corps of trained speakers, an auditorium, and other systematic methods of haranguing the people.

2. Anti-Corn-Law Leaders

From the time of its earliest beginnings, the League was blessed with extraordinarily effective leadership. Fore-most among their orators, perhaps, was Mr. Richard Cobden, to whom Sir Robert Peel, after putting the Repeal through, in his last speech as Her Majesty's Minister, gave the credit for the success of the Repeal movement.*** Cobden was a

^{*} Described at length in Prentice -P-1-ii, 142 ** St. Peter's Field. *** See p.



Manchester business man, already famous as a writer of political pamphlets. Cobden's greatest power seems to have been an appeal to people's common sense and to their reason, by "marshalling the facts which had convinced himself".* And though he may not have been a Demosthenes or a Cicero, he was an indefatigable worker. A typical statement from one of his speeches shows this. Bringing to his audience the news of a reduced duty on foreign coffee and on colonial, he shows his great power of pertinacity by his determined comment, "I cannot say that it is rightly done, but it is half done, and we will have the rest by-and-by."**

Lastly, no one could impugn his high ideals. Rogers has characterized him as possessing "purity and singleness of purpose" *** and Peel, also feeling admiration for this man who had day after day criticized his administration, in Peel's own words, "with untiring energy", **** speaks of his "pure and disinterested motives."

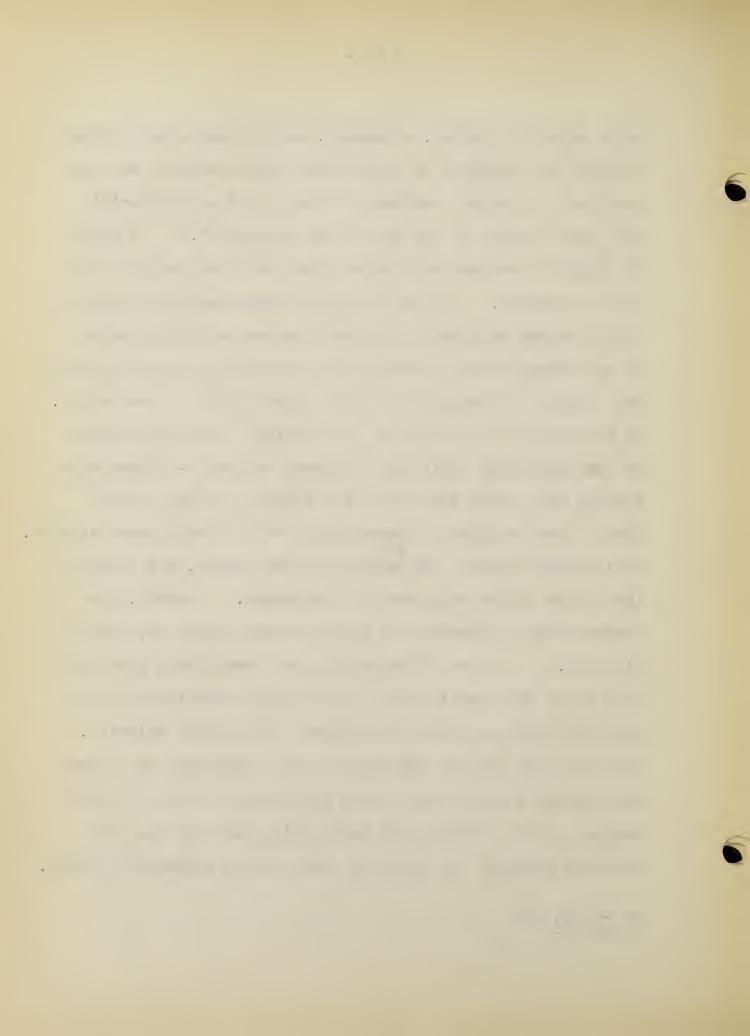
The second leader of prominence was John Bright, "preeminent as an orator, whose passionate convictions warmed up a simple style and an appearance of self-restraint. He

^{*} T-1-vi, 226 ** B-3, 91 *** R-1, 66 **** P-1-11, 440

. -

was a master of pathos, of humour, and of scorn, well fitted to rouse the feelings of those whose understandings had been convinced by Cobden, and many of whom could not appreciate the logical force of the Free Trade Arguments".* of Bright's speeches will reveal the essential truth of the above statement. As can be easily demonstrated by them. ** Bright seldom indulged in economic arguments, but appealed to that human side of people which delighted in exulting over the success and progress of their organization -- the League. He elaborated on the size of the meetings, the intelligence of the gatherings (note that flattery is used -- Cobden also employs this, in a way not at all subtle, and the crowds seem to have enjoyed it thoroughly), and of their great success. He inveighed against the enemies of the people, and gibed at the action of the Ministers of Government. Indeed, his speeches are so simple that they make one wonder why people To read the speeches, one immediately questions that he is the "great orator", but finally realizes that he must have been an orator to put over such simple material. The secret is that he appealed to their emotions, as I have hinted, and emotions are a very considerable factor in the control of all classes, but more particularly of the less educated elements, to which he particularly addressed himself.

^{*} T-1-vi, 226 ** See R-2



The third and last leader whom I propose to mention is

Mr. Charles Villiers, who had made the Free Trade motion as

annual affair in the House of Commons, and was, of course,

always defeated by a considerable majority. To him is due

the credit for keeping the question of Free Trade alive in

the Parliament. He, too, was a hard worker, having collected

Free Trade petitions with an aggregate of one and one-half

million signatures and presented these to the parliament to

accompany his yearly resolution in 1840.** He was also active

in the councils of the League, and as one of their regular

orators to appear on the rostrum.

None of these leaders were great economists. Their speeches and writings, with the occasional exception of Cobden's, did not contain long trains of logical reasoning. This was not to be expected; for though they may have known economy, they were speaking and writing for their audiences and readers, and thinking in terms of the impression made upon their public. That I have deigned to quote them sometimes is because, theoretically correct of not, they were the real influences of their day.

3. Later Activities of the League

By 1841, the Anti-Corn-Law League was a powerful

· · · .

organization among the people, but a failure in Parliament.

This was due to the fact that they were unrepresented in a party and so could not make themselves felt. The Tories favored a "Sliding Scale", the Whigs, a fixed duty; but both were in agreement that Free Trade was out of the question, at least for a period (which in the case of both parties remained vague or undefined at all). Their stand was typical of all parties which are unwilling to approach a knotty public question which may disrupt the political machinery.

The League began to see that to influence the Commons, it must get more of its ablest leaders inside of the organization. Accordingly, there was a general demand among the Leaguers for Cobden to attempt the elections, so as to represent them on the floor of the Parliament as soon as possible. Opinions were divided as to his possible effectiveness there, but he decided to run, and was elected. These elections, which came from time to time in different counties and boroughs, began to show the true depth of the Free Trade movement. For example, the redoubtable Gladstone was returned for Walsall by a bare majority of 27 (363-336) over Mr. Smith, the Chairman of the Anti-Corn-Law League for that year -- truly, a moral victory for the League. This and other elections, some won by Leaguers, led Cobden to state

^{*} P-1-1, 182-187

- (/= -

in a speech at Manchester to the Anti-Corn-Law Association there, "There is no cry that will avail candidates at the next election but that of 'no bread tax'...... The humbler class of voters would not respond to the older cry of Whig or Tory".*

There was, in deed, an element of truth in Cobden's assertion, prejudiced and exaggerated though it might have been. At any rate, in less than a year from that time the movement was widespread, and people were becoming convinced that Free Trade was the only solution to the trade question. Out of 490 replies to 670 circulars sent by the league to various ministers of the Secession, Relief, Independent and Baptist churches, "not one out of 494 expressed an opinion in favour of the existing Corn-Laws," and "not one minister stated that a majority of his congregation approved of these laws".**

This was in January, 1842.

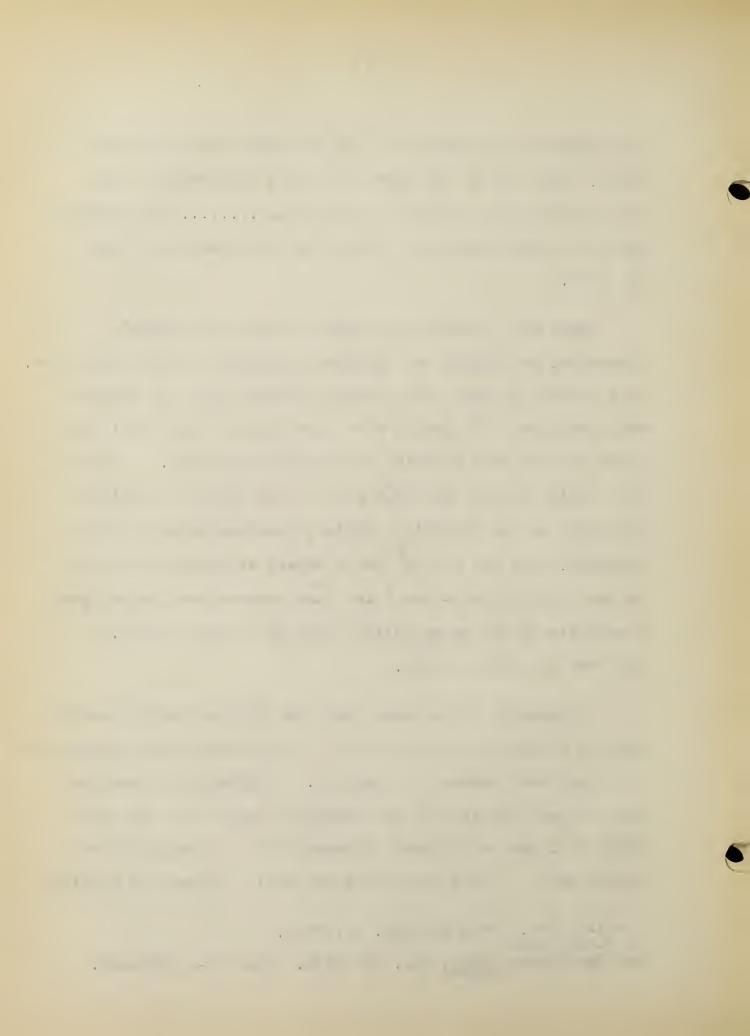
By December of the same year, we find the Teague looking eagerly forward to the new year. An editorial by Prentice,***

I am convinced, struck the keynote. Thinking in terms of the new year, he said to his readers, "'What will Peel do?'

'What will the agricultural interest do?' 'What will the Tories do?' 'What will the Whigs do?' These are foolish

^{*} P-1-i, 187. This was Feb. 18, 1841.

^{**} P-1-i, 290
*** Manchester Times, Dec. 31, 1842. See P-1-i, 423-425.



questions. The question ought to be, 'What shall we make them do?' All governments are conservative the best yield only when they can no longer resist..... 'What will the Emperor do?' may be an appropriate question in Russia or Austria; but we have a public opinion here that is not uninfluential".

The League did not wait for a factious House of Commons.

It had its work to do, and it did it. A new Free Trade Hall
was erected in Manchester, meetings were planned for one of
the large London theatres, and also "a movement to enlist
the whole population of the metropolis on its side."*

The new Free Trade Hall was erected at St. Peter's Field, on the site of the old Free Trade Pavilion**, which, having done its work, made way for the better structure. This new Hall*** was built to last for two or three years, but stood, and remained in frequent use, until 1853 when the Derby-Disraeli ministry was forced to resign. By this time the bugaboo had been laid and Free Trade adopted as the avowed principle of both parties in Lords and Commons.

The new Free Trade Hall, built in eleven days by continuous labor of 100 men, was ready Jan. 30 of the new year, and a "great gathering" was held there. The newly-finished

^{*} P-1-i, 426 ** See p.48 *** P-1-ii. 1.

..... Hall, which was the largest hall in the Kingdom "with the single exception of the feudal structure of Westminister was not merely filled but crammed in every part".*

At this affair, contributions to the league assumed the enormous total of £42,000, having been received from towns and cities of all sizes, which made contributions of from one £ to the magnificent contribution of £2,500 from the Free Trade city of Glasgow. That a Scoth city sould give so much to such a cause was perhaps one of the most notable events of the day. The remarkable fact about the entire contribution is that it was raised on a very few months notice, and showed the power of the League.

By the early part of the next month, the Covent Garden
Theatre of London was used for "metropolitan meetings" ***,
with a trained staff of speakers, and a newspaper for greater
publicity. Cobden spoke often here, although he was in London
to enter the Parliament, and seems to have received most generous applause.

In these meetings, and elsewhere, the Free Trade cause continued to win many converts. Usually the upper classes stayed away from these affairs, even if they were enthusiastic Free Traders, since they did not like to mingle with the

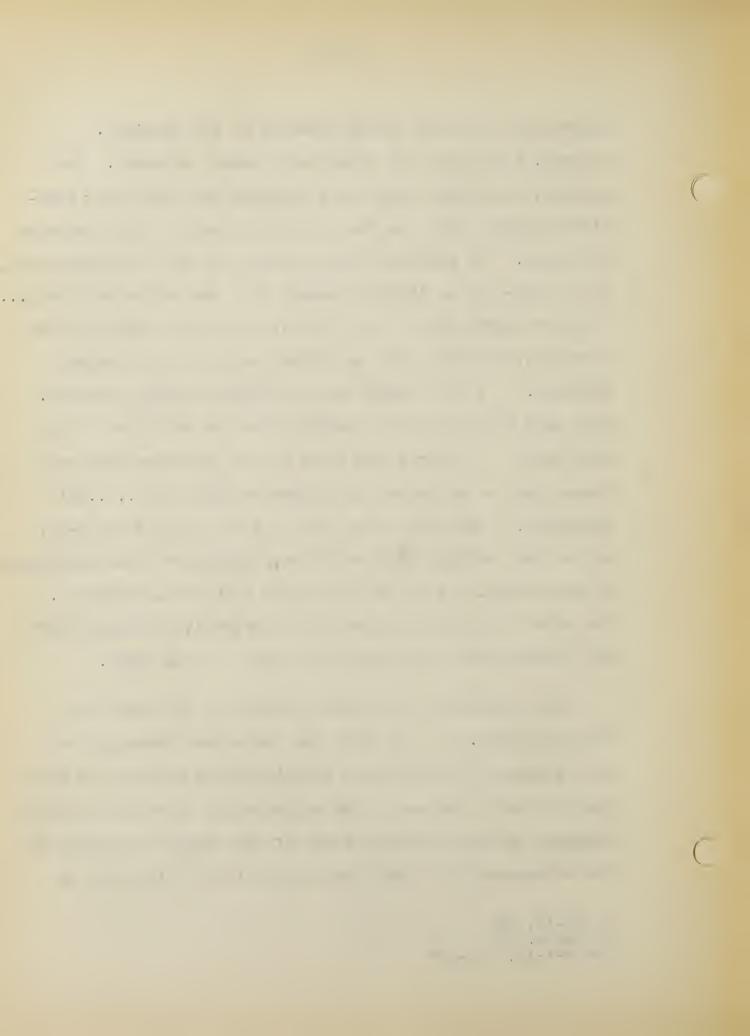
^{*} P-1-ii, 17-21, for the entire proceedings. ** B-3, 33

* * * * * · e •

"barbarous multitude" which appeared at the meetings. However, sometimes even Lords would appear to speak. For example. Earl Ducie forgot his position and definitely identified himself with the Free Traders at one of their meetings at Strond. He addressed the gathering in the following words, "I do come here to identify myself with the League as a body... It may be asked why I, as a Farmer, am for the repeal of the Corn Laws, and what good the repeal would do the farming I will answer this question by asking another. What good has the farmer received from the existence of the Corn Laws? If their existence for 27 years has done the farmer good -- of course the farmer is doing well.....but Gentlemen, I know the farmer will say he is not doing well; he has been toiling early and late, enjoying all the advantages of protection, and yet he is neither rich nor prosperous" . * The effect of such speeches by a universally respected class was considerable, and helped the cause of Free Trade.

The election of Free Trade members to Parliament has been mentioned.** By 1843, the League was promoting for this purpose, more efficient electioneering methods, *** which consisted of: the use of the registration lists of the entire Kingdom, the inter-communication of the League's progress to the electors of all districts, visitation of districts by

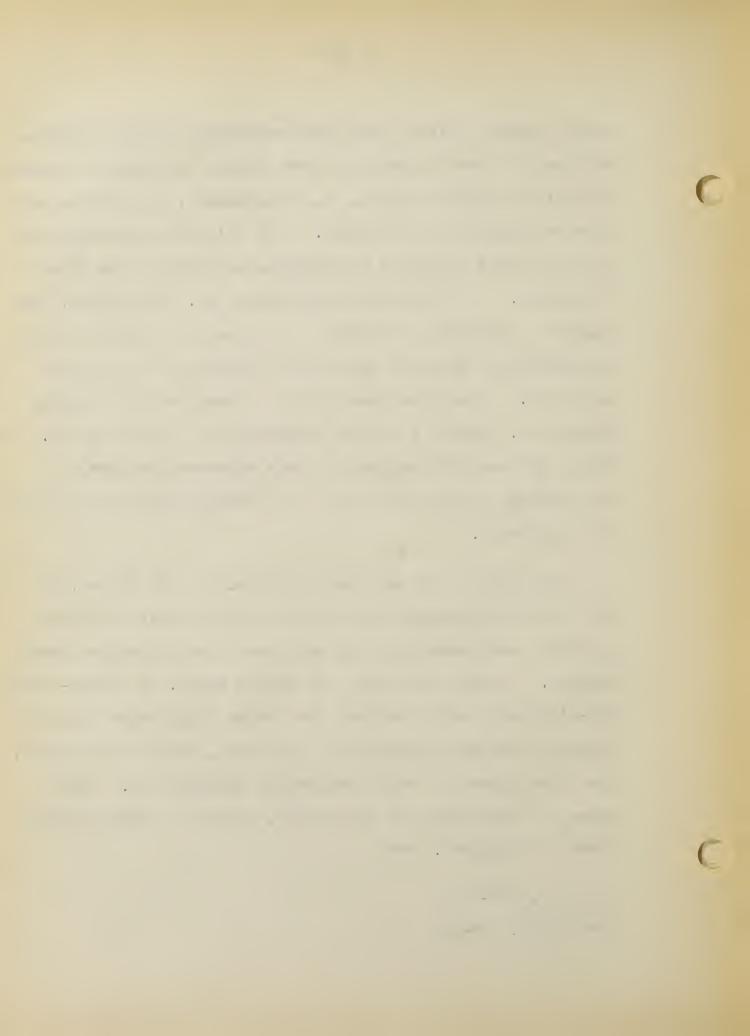
^{*} P-l-ii, 55
** See p. 52
*** P-l-ii, 118-119



League leaders, active Free Trade campaigns in each constituency and the establishment of Free Traders in vacancies wherever
possible by League support, or, if necessary, by suitable candidates supplied by the League. In this way the League continually tried to obtain a commanding majority in the House
of Commons. As fruit of these methods Mr. John Bright, the
League's orator, was returned to Parliament in place of Lord
Dungammon, who had been removed for bribery by the election
committee. The result was due to a three months' campaign
against Mr. Purvis, a Peelite conservative; and though Mr.
Bright was entirely unknown by the electorate previous to
the campaign, he won (488-410) by a straightforward declaration
for Free Trade.

The year of 1843 was one of prosperity, but Cobden, in his speech of September 28th of that year, ** cast down the gauntlet, determined that the agitation should contine nevertheless. Within two days, the weekly paper, the "Anti-Bread-Tax-Circular", which had been the League Organ since its establishment, was now replaced by a new paper, calle "The League", the first number of which appeared on September 30. This paper is "the History of the League, during its three further years of struggle". ***

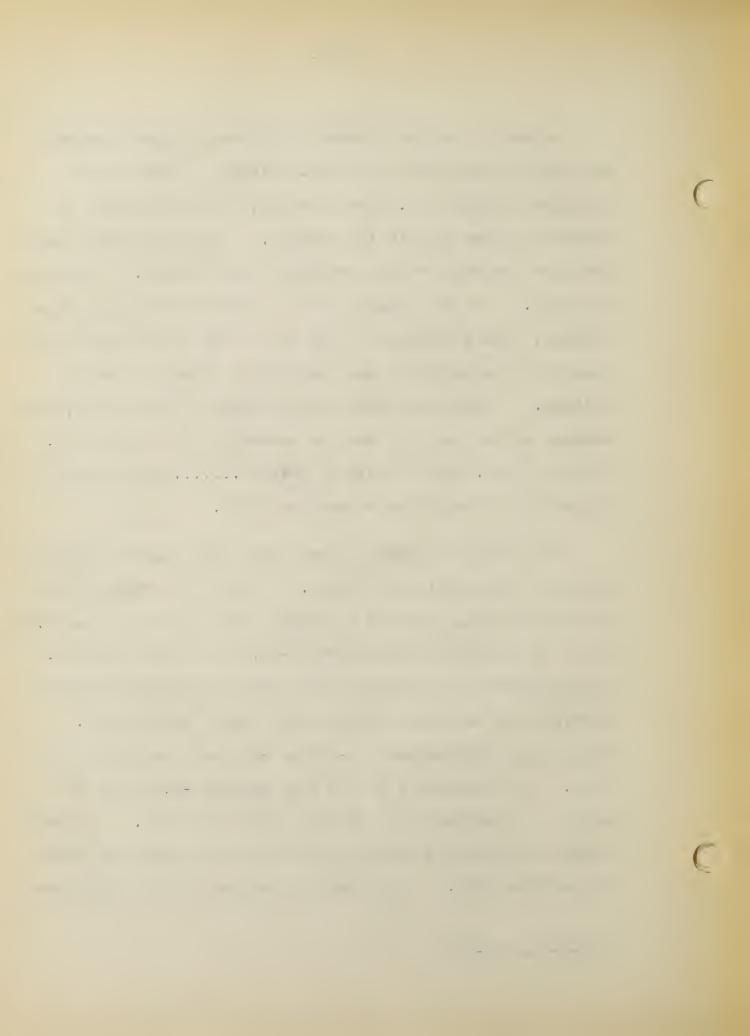
^{*} P-1-ii, 108-109 ** B-3, 33 *** P-1-ii, 117-118



at London electioneering for Mr. Pattison, a Free Trade candidate, against Mr. Thomas Baring, a protectionist, to replace Matthew Wood in the Commons. The Free Trade candidate won, greatly to the ecstacy of Free Traders. Interest was high. On the occasion of this same election, in Manchester, "there appeared on the walls that there would be a meeting to congratulate the electors of London on their triumph. Notwithstanding the shortness of the notice, the wetness of the evening, and the certainty that neither Mr. Cobden nor Mr. Bright could be present..... there was a gathering of about five hundred persons".*

This London victory put new heart into the Free Traders, and more money behind the Cause. After the London victory of October 12th, assisted by Cobden, the League set a £100,000 limit to be raised, and received £12,600 on that very day. At Manchester, on November 14th, after the proposed fund of £100,000 was mentioned, £12,000 was raised immediately. Many large contributors of £100 to £500 were subscribed in this. At Liverpool, in the same manner, £4,600 was the result; at Haddenfield, £2,531; and so it went. A large number of towns and cities contributed, from November 14th to December 19th. The leading speakers of the League were

^{*} P-1-ii, 130-131



extremely busy and faithful workers at these meetings, giving time, energy, and money to the cause.

It might be suspected that these enormous sums would have a considerable effect on public opinion, and, indeed, they did; for, as today, the status of the League was measured in terms of its financial success. Thus the money which the League could command became an all-important factor. result of the £100,000 was immediate and startling. London Times, on November 18th, 1843, published its leading article on the League, entitled "The Great Fact", in which it emphasized the existence of the League, as a strong, vital factor in England, and one which must be considered, whether people liked it or not. The article said, in part, "No moralist can disregard them; no politician can sneer at them; no statesman can undervalue them.... Who created the League?..... We answer - experience set at naught advice derided - warnings neglected - these brought the League into existence - these gave it power and motion, and vital energy.... A new power has arisen in the State".*

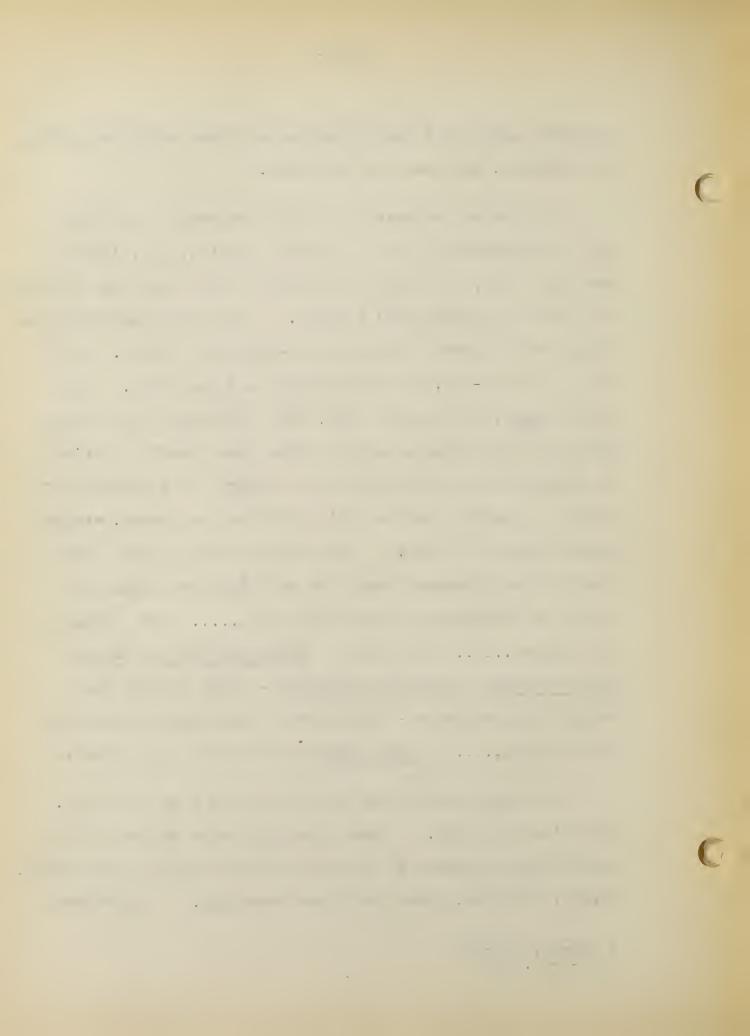
The League entered the year 1844 with a new prestige.

Enthusiasm was high. Weekly meetings were held** in the

Covent Garden Theatre in February and early March with Cobden,

Bright, Villiers, Hume, and others speaking. Cobden and

^{*} P-1-ii, 137-139 ** P-1-ii. 168



the rest continually hammered at the now traditional enemy

-- the Corn Laws. In one of these speeches* Cobden said,

"All we ask is this, that corn shall follow the same law

that the monopolists in food admit labour must follow; that

'it shall find its natural level in the markets of the World'".

Cobden and other Leaguers in Parliament kept the crowds of London informed as to the doings in the Commons. This kept up a lively interest. One speech of his in London was particularly critical of the Government. The wool duty had just been abolished in the new (1844) budget, and Cobden jumped into the gap with the following biting and pertinent argument for his hearers: "If it is unreasonable to 'totally and immediately' abolish the duty on corn, why has their own Prime Minister (Peel) and Government 'totally and immediately' abolished the protection on wool? We find encouragement and good argument in favour of our principles by every step that is taken, even by our professed opponents."**

He also attacked the Government for protection against the slave-grown sugar trade. What of slave-grown coffee, he wanted to know, and added that if he thought Free Trade would promote Slave-holding -- which he did not -- he would give up his ideal. "We deny", he said, "that it (protection) is our effectual or just mode of extinguishing slavery. On

^{*} в-3-62 ** в-3-90

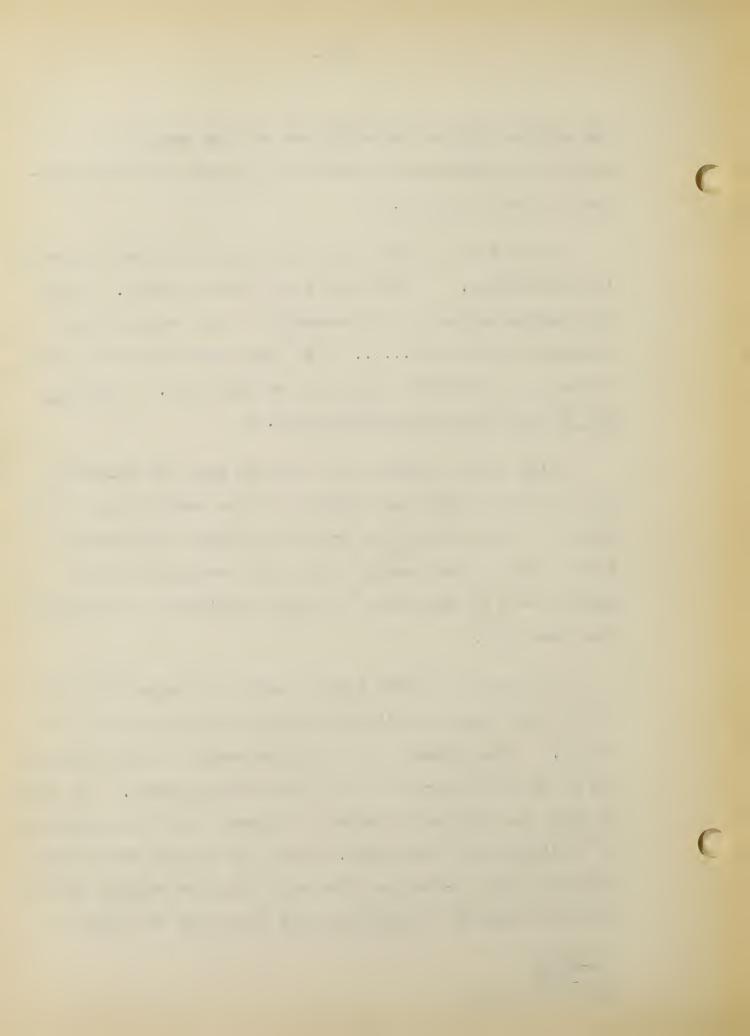
the contrary, it is subjecting the British public to a species of oppression and spoilation, second only in injustice to Slavery itself".*

And as for the Corn Laws protecting the farmer, he denied it emphatically. "The Corn Laws protect farmers: Why, the farmers pay their rent according to the price of the produce on their land..... If Corn Laws keep up the price of food, they maintain the amount of rent also. The Corn Law is a rent law and nothing else".**

While Bright, Cobden, and the rest kept the agitation hot in England, what was happening in the rest of the British Isles? To be sure, this treatise includes only England, but it must not be forgotten that both Scotch and Irish members were in Parliament, and their decisions in the matter were important.

In Scotland, we have already seen how Glasgow and other cities made large contributions freely to the cause of the League. The natural and correct inference is that Scotland was an ardent supporter of the Free Trade movement. As early as 1820, the Edinburgh Chamber of Commerce had sent a petition to Parliament for Free Trade, *** and all through the movement the Scotch had co-operated liberally with the League; so the ultimate surrender of protectionist principles was also to

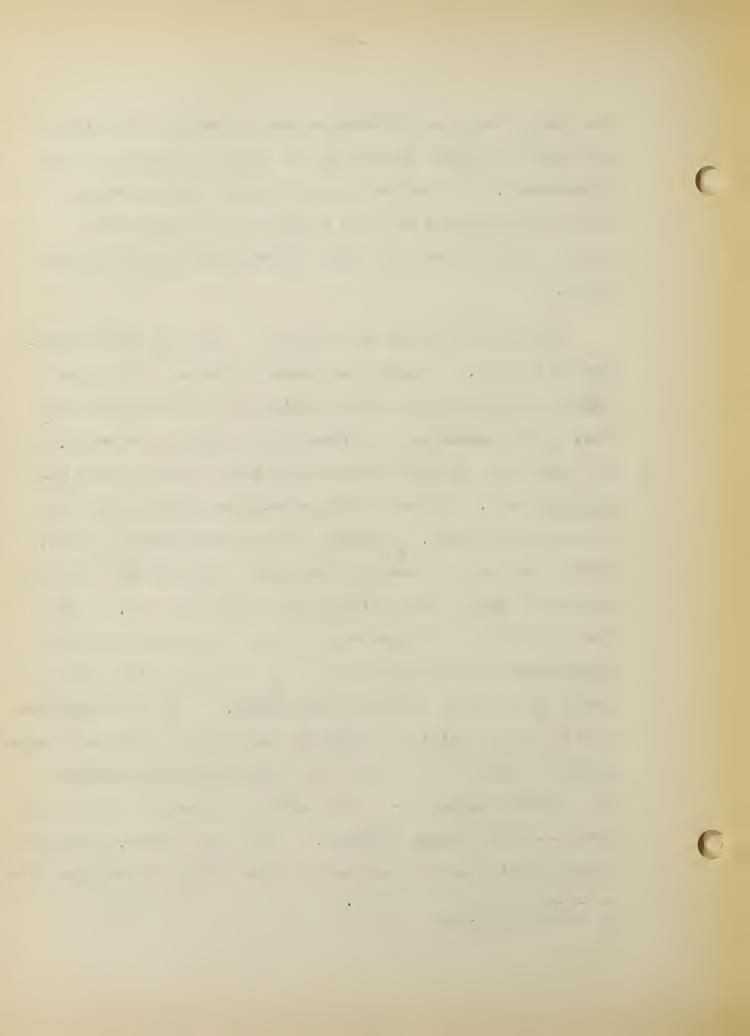
^{*} B-3-93 ** B-3-99 *** T-1-vi, 245



the Scots, "and the ultimate triumph of Cobden and Bright was due in no small measure to the support of the Scottish Dissenters".* They held great banquets and meetings, which were attended by great enthusiasm throughout the period of 1840-1846, and their contributors were ever generous.

What of Ireland in this period? She was greatly concerned in this. During the years of famine, Irish corn dearted every day in dozens of ships bound for England, so that "tradespeople made fortunes while peasants starved". ** The Corn Laws, however, never would touch Ireland, since she exported corn. Indeed, Irish corn-growing was ruined when Free Trade did come. However, through some mistaken idea, politicians had an idea that Ireland's troubles were not due so much to potato crop failures as to the corn Law. The Free Traders, or at least many of them, prescribed the only remedy some of them knew for all the existing evils, and the repeal of the Corn Laws was that remedy. In the tremendous wave of public opinion which swept the country, this Free Trade agitation carried all before it, converting the leaders of both parties against -- in the particular case of Ireland, at least -- their better judgment. The Whig leader, Lord John Russell, said that protection was "the blight of commerce, the * T-1-vi. 245

^{*} T-1-V1, 245 ** T-1-11, 247-248



bane of agriculture, the source of bitter division among classes, the cause of penury, fever, and crime among the people".*

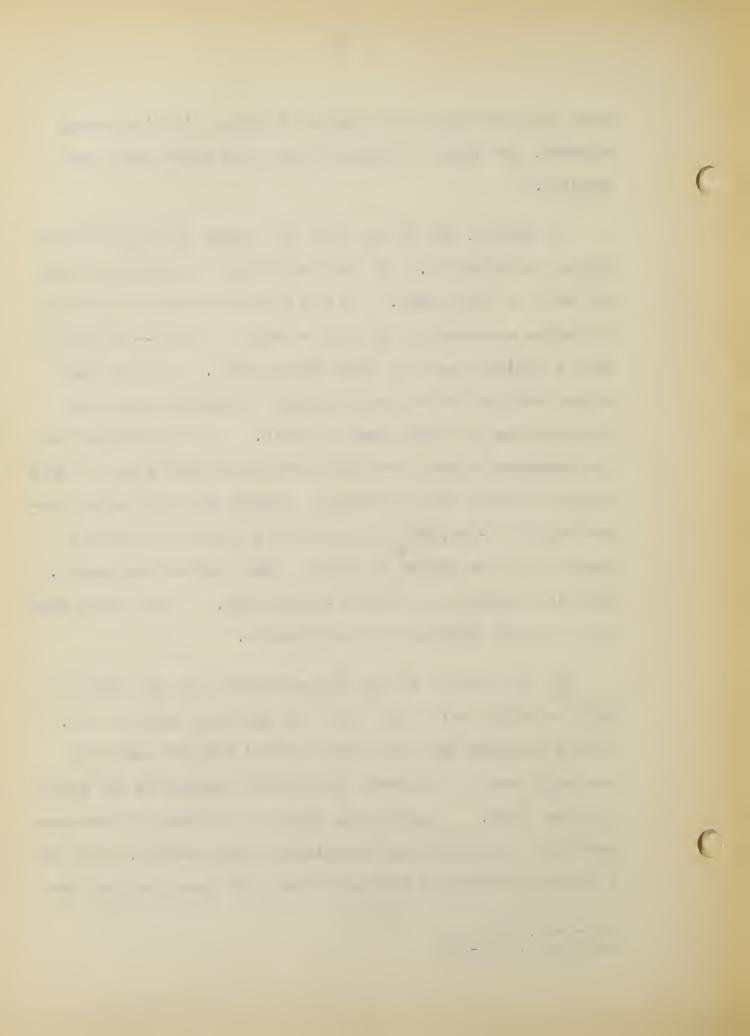
In review, let us see what the League had accomplished since its beginning. It had maintained a continuous press in favor of Free Trade. It had provided perhaps the most effective speakers in the land -- many of them -- and had kept a trained corps of them always ready. It had been a vast auditorium to house its huge audiences, and hired suitable ones all over Great Britain. It had raised for its purposes amounts totalling almost fabulous sums for that period to carry on its purposes, culminating in a giant subscription of £150,000,** as part of a project to raise a quarter million pounds in January 1846, before the Repeal.

Many individuals had offered £1,000 each. These were some of its actual physical accomplishments.

Let us turn now to its accomplishments in the realm of mind -- which, after all, were the real and lasting ones.

It had attacked and thoroughly worsted the old theory of monopoly, and in the place established completely the ideal of Free Trade. During this period of reform, it had successfully combatted that reactionary conservation, which is a thoroughly English trait, and left the great body of the

^{*} T-i-vi, 226
** P-l-ii, 414-417



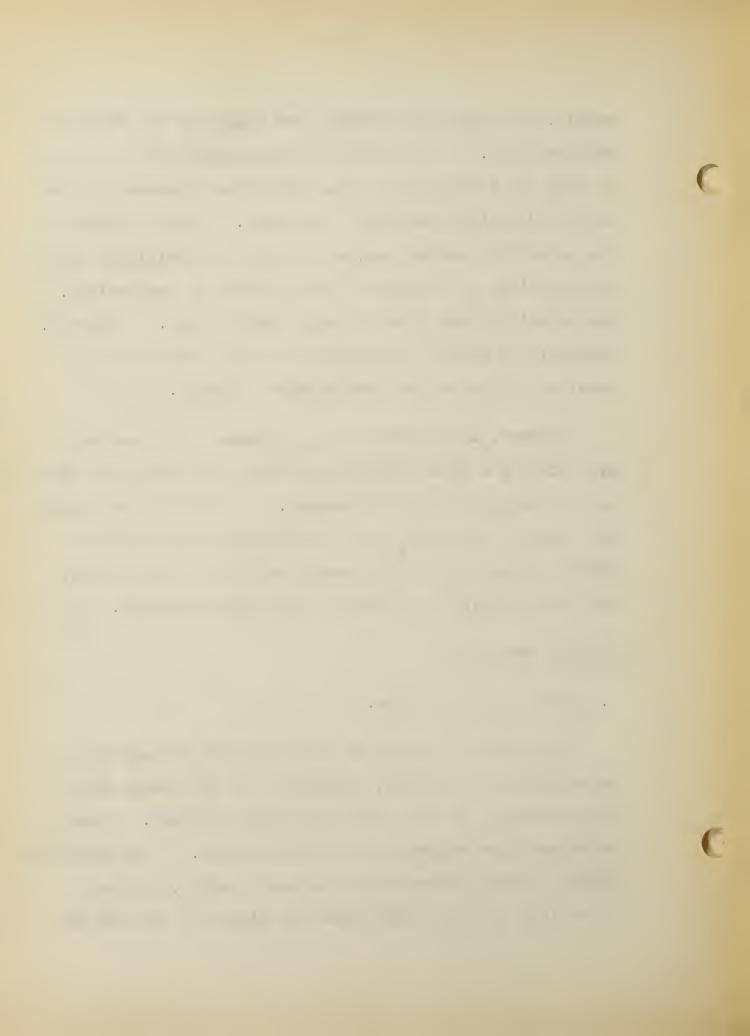
people, not merely open-minded, but eager for the reform it had advocated. And it must be remembered that it had had to wage its war against a class which had a monopoly of the most influential elements of the State. Yet all through the apparently unequal contest a fighting, optimistic spirit had prevailed so necessary to the success of any project, and especially one which is waged against odds. Perhaps, however, the belief that they were in the right was the greatest element of the Free Traders' victory.

However, the reasons for the success of the movement are left for a later chapter which will deal with political as well as moral and social causes. Suffice it to say for the present that seldom has a fight been waged, in this world of imperfections, so nearly perfect in its results, considering what the authors of the reform intended.

B. The New Parliament

1. Downfall of Melbourne.

The course of events in the Parliament is much better known than those outside, connected with the League and will therefore be dealt with more summarily here. Lord Melbourne's Government was in power in 1841. The aforesaid leader has been described as "an easy, genial, indolent politician" of the Walpole type who wished to let the Corn



Laws (and, indeed, everything else) alone, and believed that anyone wishing to repeal them was "mad".*

He had said**, "Do not let it be said that it was to an affliction of heaven that a deficiency of food was to be attributed....let the laws (i.e. Corn Laws) be blamed" -- and then compromised by advising a fixed duty. Baring, the Chancellor of the Exchequer, desired a differential duty of 36-63s./cwt. depending on the price.

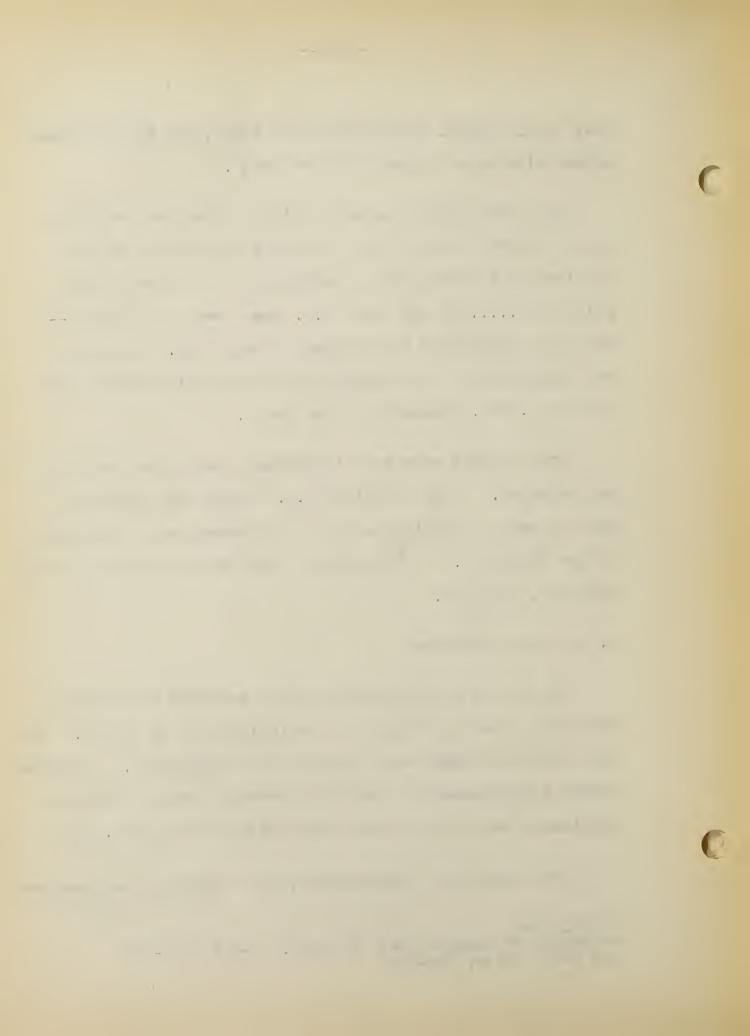
The measures were both introduced, one after the other, and defeated. The Peelites (i.e. Tories) now carried a vote of want of confidence in the Government by a majority of one (312-311). As a result, Lord Melbourne "went to the country", and lost.

2. The New Parliament

The result of the election was a complete victory for the Tories, and the Whigs were definitely out of office. In this election Cobden won a place in the Parliament. Melbourne formed a Government but failed to weather a vote of want of confidence led by Sir Robert Peel and quit in August.

Peel headed the new ministry, with Gladstone as President

^{*} R-3, 439
** Speech in Commons, May 18, 1841. P-1-1, 210-211
*** B-3, 1 Vote, 360-269

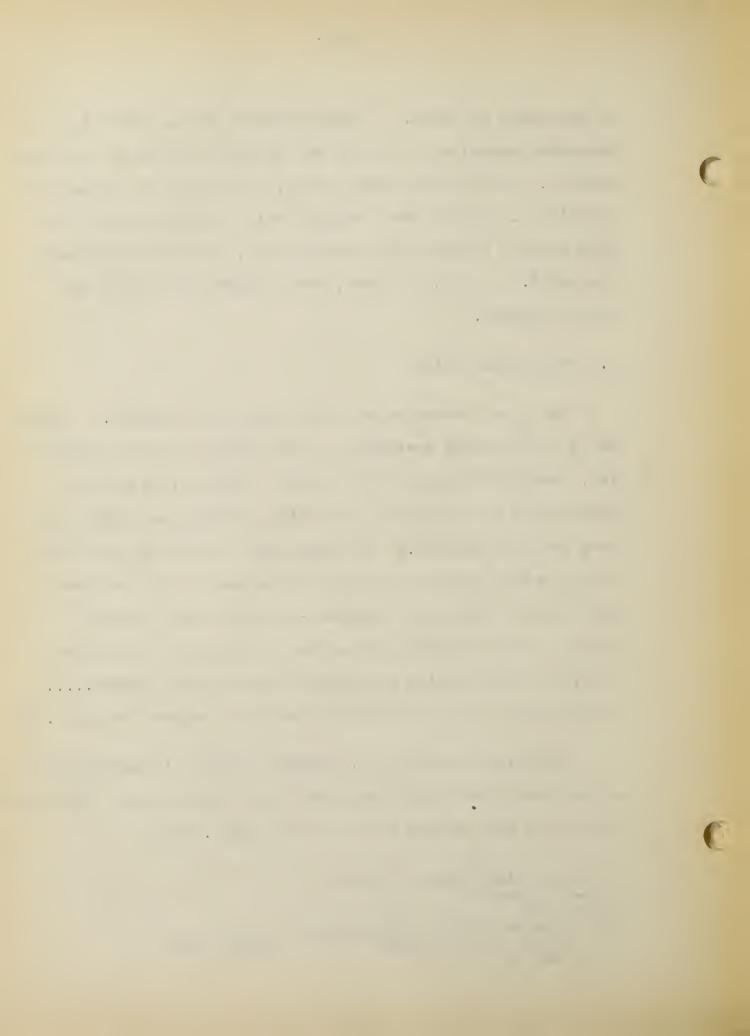


of the Board of Trade. Rogers says of Peel, "He at any rate was determined to let no man describe him as he described Baring*, 'seated on an empty chest, by the pool of bottomless deficiency, fishing for a budget'"**; and added that Peel "had studied finance with anxious care, and had already made his mark". This, at least, was an improvement over the hapless Baring.

3. Free Trade Action

The Free Traders began their agitation promptly. Cobden moved a Free Trade amendment to the Address from the Throne, and, though his motion was of course defeated, he had an opportunity to display his oratorical ability and begin his Free Trade propaganda. He showed that the tax on corn was on the masses primarily, since the burden of this tax grew lighter with the larger incomes -- a conclusion obvious enough; and he rapped protections by saying of the duties, "They are taxes levied on the great body of the people..... I have heard them called Protections; but taxes they are".***

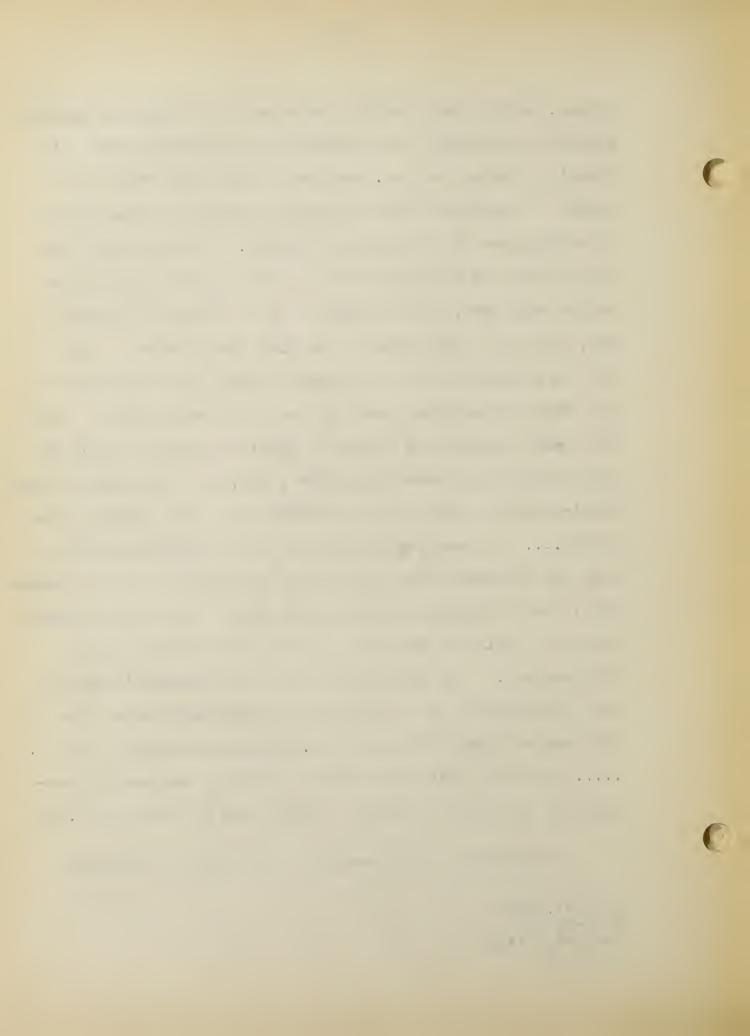
Early the next year Mr. Charles Villiers introduced his annual Free Trade bill once more, and, though it was defeated, **** the matter was debated hotly for five days. ****



Cobden, making what Prentice describes as a "bold and telling speech" *, mentioned "the ignorance which prevails upon this question amongst the hon. members on the other side of the house" -- ignorance "never equalled amongst any equal number of working men in the north of England. Do you think", he says, "that the fallacy of 1815, which I heard put forth so boldly last week, can now prevail in the minds of working men, after the experience of the last three years? not the price of bread been higher during that time than for any three consecutive years for the last twenty years? yet Trade has suffered a greater decline in every branch of industry than any preceding three years." ** He added further ironically, "We are not to legislate for a class against the It was justly observed by the Times newspaper, that the Corn-Laws were nothing but an extension of the Pension List; but it might have been added that it was also an extension of a system of pauperism to the whole of the landed aristocracy". He also said of Lord John Russell's motion that "although it is not good it is infinitely better than the measure submitted by the hon. gentleman opposite (Peel) He (Peel) must know that his party is composed of monopolists in corn, tea, sugar, coffee, and the franchise". ***

The above is a fine sample of the biting sarcasm and

^{*} P-1-1, 319 ** B-3, 10 *** B-3, 11-14



bitter invective which Cobden, during his entire tenure of office, hurled at the Government and all others who were not uncompromising Free Traders. Peel was profoundly influenced by this, and by the power of the League, and it is possible that this hold on him influenced the 1842 Budget.

4. Budget of 1842

The Budget of 1842 was distinctly a measure leading toward lower tariffs, and has been taken by some authorities* as an evidence of the influence of Free Trade upon Sir Robert Peel. This Budget provided for a "readjustment and modification of duties, to encourage the importation of foreign corn".** The maximum duties per quarter were:for wheat, barley, rye, oats, peas, and beans.

Foreign Countries 20s. 1ls. 1ls.6d. 8s. 1ls.6d.

British Colonies 5s. 2s.6d. 3s. 2s. 3s.

The arrangement took the form of a sliding scale, with the following fixed duties payable if the prices on corn exceeded those in the table below:

Corn of foreign origin			Corn of colonial origin	
	Price	Duty	Price	Duty
Wheat	73s.	ls.	58s.	ls.
Barley	37s.	ls.	31s.	6 s .
Oats	27s.	ls.	33s.	6s.
Rye, pease	, and beans			
	42s.	ls.	40s.	6 s .
* T-1-vi,	117 *			

Similar arrangements prevailed for meat and flour.* The tariff was reduced on 750 out of 1200 dutiable articles. The duties were lowered on provisions and timber. This produced a deficit, which was made up by the revival of an income tax of 7d.

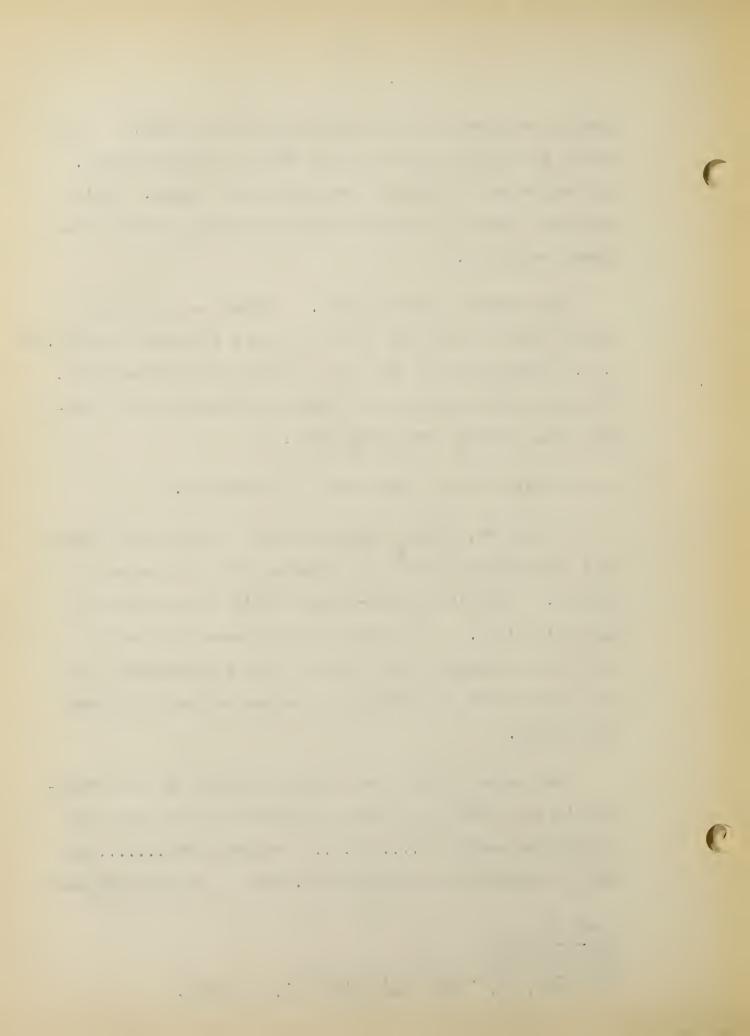
The reaction was immediate. Cobden denounced Sir
Robert Peel's measure as "an insult to a suffering people".**
L. C. Sanders says of this budget with considerable truth,
"The effect was to annoy the agriculturalists without conciliating the Corn Law repealists".***

5. Conversion of Sir Robert Peel - Importance.

On July 25, 1842, a delegation **** visited Sir Robert Peel representing men of all classes and of all parts of England. Each told heart-rending facts of the people in their districts. The farm interests were represented; men told of shipping lying in the docks at Liverpool, and of trade at home languishing everywhere for want of those able to buy.

Peel seems to have been greatly touched by this demonstration, and "had been greatly affected by the murder of
his private secretary....who....it was believed.....was
shot by mistake for the Minister".****

^{*} B-3, 8
** P-1-i, 313
*** T-1-vi, 117
**** P-1-i, 346. See all ch.xxiii.
***** B-3, 15. This took place Jan. 24, 1843.



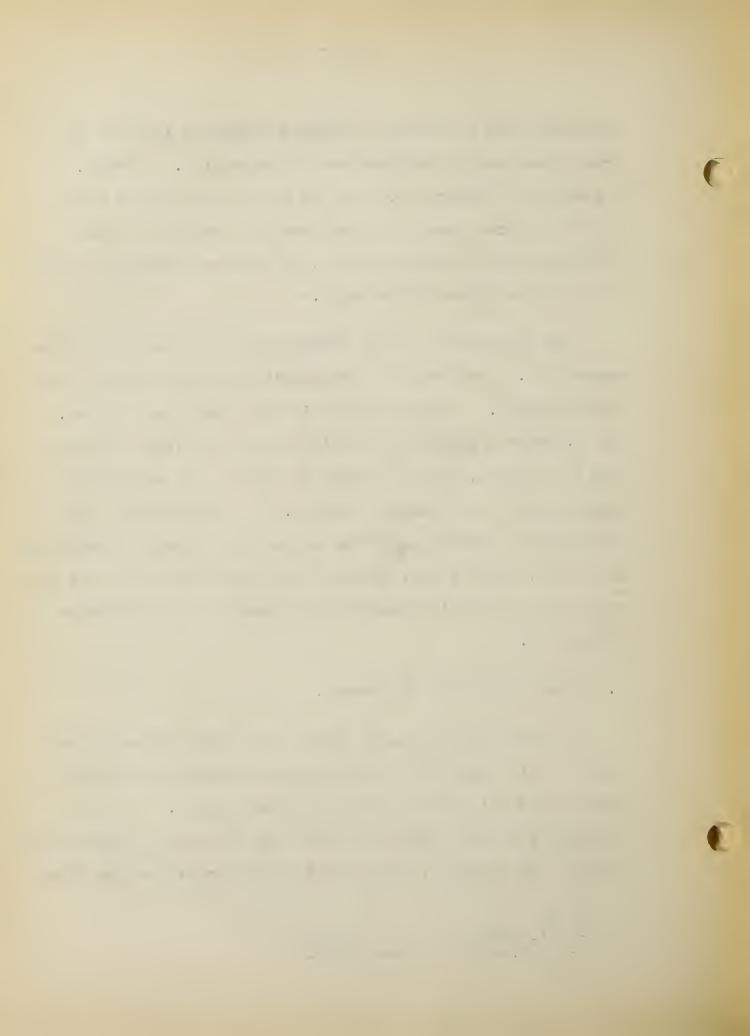
influenced not a little by Cobden's arguments in favor of Free Trade, and in condemnation of Protection. Cobden, in a speech of February 17, 1843, is sure that Peel was now a convert to Free Trade, and mentions its ideals as "those principles, the justice, policy, and reasonableness of which he (Peel) has himself admitted".*

emphasized. Peel was the outstanding statesman during this entire period. His ascendancy in the Commons was marked. Sir H. Maxwell speaks appreciatively of his career "in that house, in which, since the days of Canning, he had without question been the dominant figure".** Indeed, the Free Trade cause, itself, had a new chance for success, possessing, as it did, the one man, perhaps, who could and would make the personal and political sacrifice necessary to its ultimate completion.

6. Acts of the 1843 Parliament.

Villiers again brought up his Free Trade motion in May
15th of this year, and it was of course defeated, and by a
substantial majority of 256***, in the Commons. Cobden,
during the debate, complained that the Corn Laws, supposed to
benefit the laborers, really went in high rents to the large

^{*} B-3, 22
** M-3-ii, 179
*** B-3, 23. The vote was 381-125



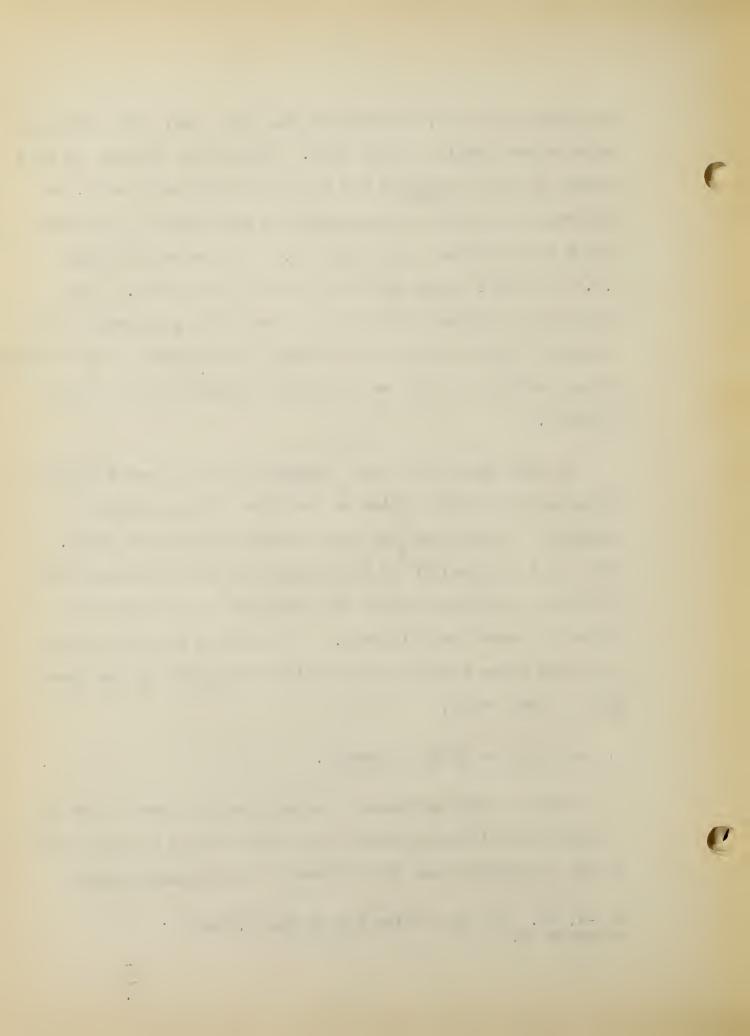
landlords, and that, in spite of the Corn Iaws, farm laborers' distress was greatest under them. Rents were charged on what prices for corn should be and not what they really were, and the Government could not guarantee to keep these prices high enough so the farmers could profit. He accused certain M.P.'s of this, being especially hard on Gladstone. He accused the landlord Parliament of partiality, but said, "The League will go on", and in a prophetic mood added, "and if there be any justice we shall go on to an ultimate and not distant triumph".*

In this same year, Peel, though he had not yet entirely abandoned protection (which he had taken office pledged to support), yet had gone far toward establishing Free Trade. This was made possible by the further use of the income tax, to offset the losses due to the reduction in protectionist duties on exports and imports. The record for the entire year 1843 shows slow but very definite progress in the direction of Free Trade.

7. Acts of the 1844 Parliament.

Early in this session, *** Cobden rose and made a plea for "a select committee to inquire into the effects of protective duties on imports upon the interests of the tenant-farmers

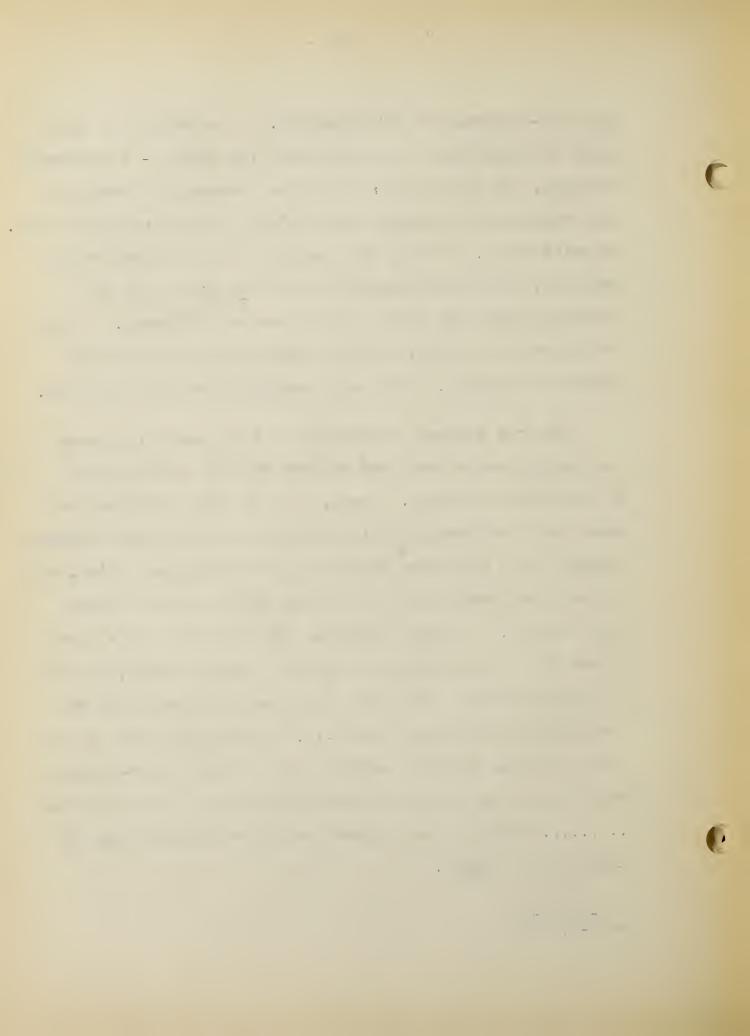
^{*} B-3, 32. For the entire speech see p.24-32 ** March 12.



and farm-labourers of this country".* He said that "the price of commodities may spring from two causes - a temporary, fleeting, and retributive high price, produced by scarcity; or a permanent and natural high price, produced by prosperity". He pointed out, as well, that periods of high prices due to scarcity, which were supposed to aid the farmer, on the contrary marked the times of his greatest suffering. The motion was, of course, defeated, 224-133, but Cobden had gained his purpose, which was a discussion of the Corn Laws.

The Free Traders' activities in the Commons were ever increasing, due to enlarged numbers and the consciousness of approaching victory. Peel, who, as Prime Minister, had been their greatest stumbling block, was year by year forming budgets which were more nearly free of protective duties, and his attitude toward the entire free trade movement seemed more liberal. Cobden commented upon this fact in a speech of May 8th of this same year before a Iondon throng, in the following manner: "What have the Duke of Richmond and the Protection Society been about?.... it is quite clear to me that the Prime Minister does not dread those Carpet-knights much who sit in the drawingroom of his Grace (the above Duke)I think he has a great deal more reliance upon us than dread of them".**

^{*} B-3, 69-88 ** B-3, 90

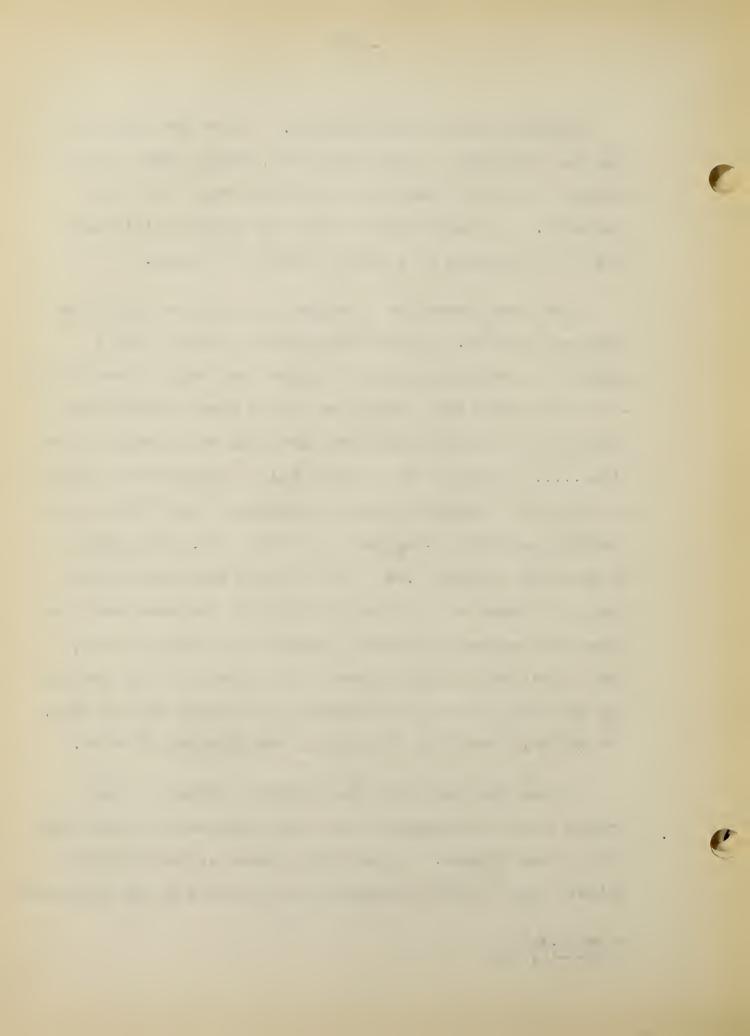


There was much in what he said. When the Budget of 1844 was discussed, it was found that, amoung other similar actions, the import and export duties on wool were to be abolished. We have already seen how Cobden criticized this act in absence of a similar measure for corn.

this same year Mr. Villiers inaugurated a motion that a committee of the House should inquire into certain resolutions—to the effect that though the people were increasing in number, and "insufficiently provided with the necessaries of life,.... a Corn Law is in force which restricts the supply of food, and thereby lessens its abundance", and "that it is therefore expedient that the Act 5 and 6 Vic., C 14, shall be repealed for thwith".** He followed this with a long speech in favor of his views showing that the Corn Laws produced very general agitation, distress, and lack of food, that repeal was of great moment to the health of the people, the Law having "morally and physically ruined" many of them. The motion, after much discussion, was defeated, 330-124.

It has been mentioned that greater numbers of Free
Traders, and more speakers among them were making themselves
felt in the Commons. Among these newer arrivals was John
Bright, who, it will be recalled, was elected to the Parliament

^{*} See p. 60.

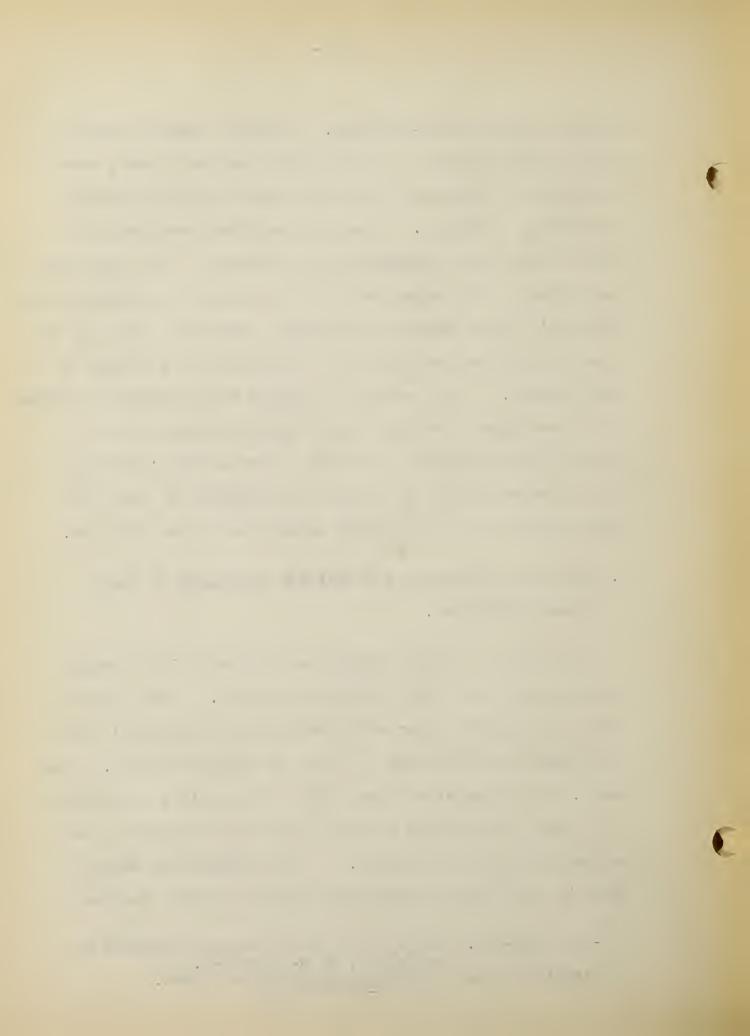


in this year in a bye-election. Bright, however popular his speeches outside of the Parliament may have been, seemed to possess a remarkable talent for regulating his speeches to suit his audiences. Here he completely changed his style to suit that required in the Commons. His speech of June 26th* of this same year at the close of the aforementioned Villiers' motion debate is a splendid example of this, as are other of his speeches before the Parliamentary audiences of a later period. As a result, he became very effective, because of his oratorical ability, in delivering thrusts at the opposing Protectionists, and even at the slowly reforming Peel government, and was a very real addition to the Free Trade offensive in the Commons as well as on the platform.

8. The 1845 Parliament and General Acceptance of Free Trade Principles.

The 1845 Parliament opened suspiciously with a Budget conspicuously Free Trade in its tendencies. The duty on raw cotton and 429 other articles had been abolished; and yet nothing had been done to "aid" the agriculturists. The press, Protectionist or Free Trade, was hostile, and picked the Budget to pieces, ** accusing its author (Peel) of the most glaring inconsistencies. The condemnation on the basis of inconsistency was most certainly true; for the

^{*} P-1-i, 208-210. See also his Parliamentary speeches of 1844-1846, in R-2, or T-2. ** Especially the Leeds Mercury, but also others. See P=1-ii, 295-296

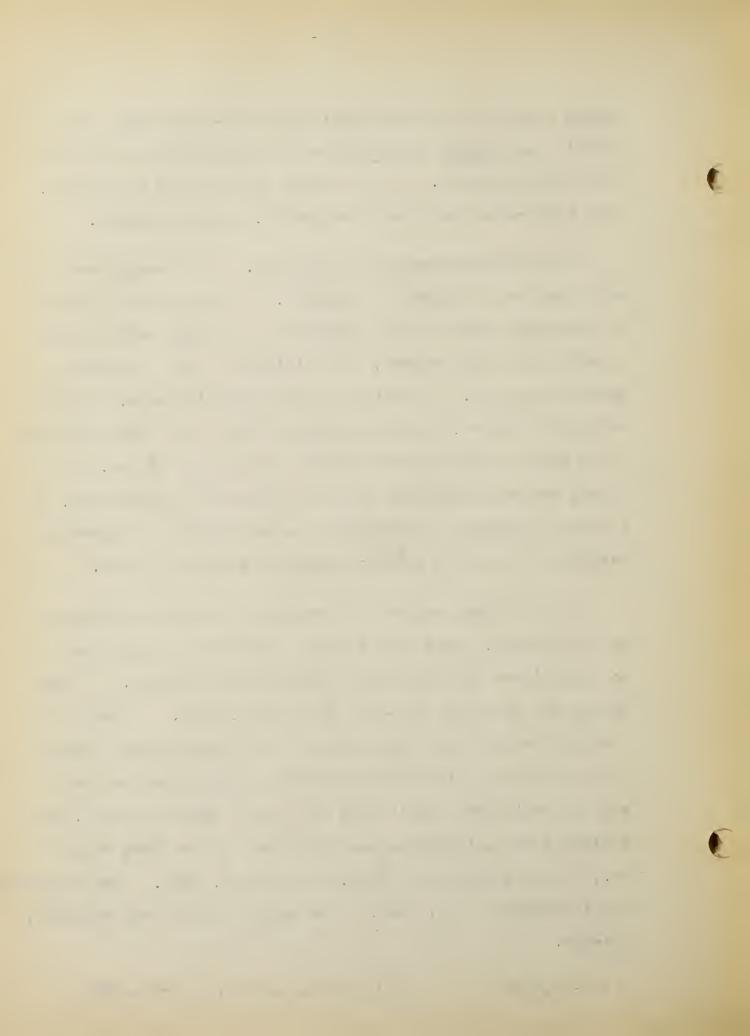


Budget admitted the cheap Brazilian slave-grown sugar for refining and resale in Europe, while prohibiting it to "our own working people". At the same time, coffee and cotton, also slave-grown and also from Brazil, were encouraged.

The criticisms were only too just. The Budget was half Free Trade and half Protection. The fact is, it was a compromise made by Peel, perhaps to encourage both Protectionists and Free Traders, but failing in a most miserable manner with both. Possibly its true significance, considering the results, was that in another year the Prime Minister would have to state on which side of the fence he was, or be forced out by a coalition of Free Traders and Protections, in a wave of disgust and indignation at so obvious a compromise fashioned to satisfy the two opposing factions at once.

At this time, Cobden, influenced by the real suffering of the farmers, moved that a select committee be appointed to investigate the widespread agricultural distress.* The motion was defeated, 213-121, on March 7, 1845. Inter, in a similar vein, Lord John Russell, Whig leader, made a speech in the Commons to the effect that the sliding scale of Peel and the Tories was prohibitory and caused general misery, and intimated that, though he had once stood for a fixed duty of 8s., he would now accept a 4s., 5s., or 6s. duty. He suggested the intermediate (5s.) one. The motion was put and defeated, 182-104.

^{**} This was on May 26. P-1-ii, 356



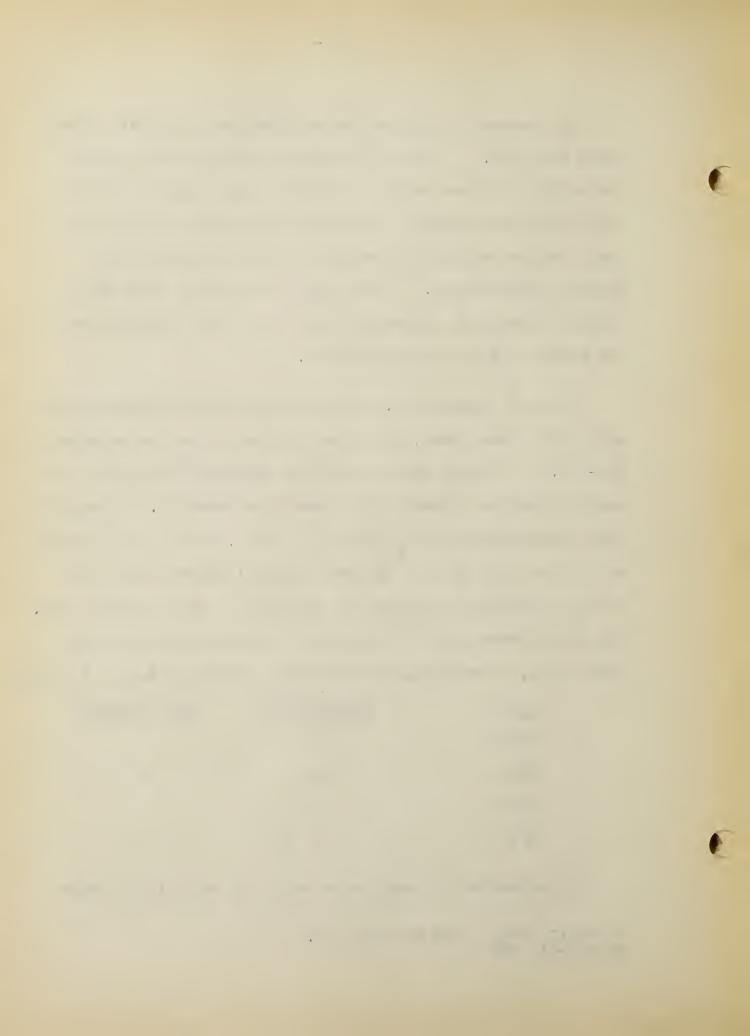
The farmers' distress had overshadowed a strictly Free Trade struggle. The Free Traders themselves had fought the battle for farm relief; however, they hoped to find fault with the farmers' condition on the basis of the Corn Laws, and so to aid their cause by capitalizing on the farmers' misfortunes. Now, the Free Traders were able conscientiously to strike out again with less emphasis on the farmer and more on Free Trade.

For this purpose Mr. Villiers once more introduced his motion for Free Trade, which, as before, failed of passage, 254-122.* Though this may seem a considerable defeat, in reality the Free Traders were greatly encouraged. Many of them were absent at the time of the vote, and it was further noted that year by year the vote against their motion was growing smaller and smaller in relation to their actual vote. The approximate ratio of decrease of voting resistance to Free Trade, as evidenced by Villiers's motions, was as follows:***

Year	Monopolists	Free	Traders
1842	17		4
1843	12		4
1844	11		4
1845	8		4

It seemed as if Free Trade could not be held off much

^{*} P-1-ii, 376; this was June 10. ** P-1-ii, 378

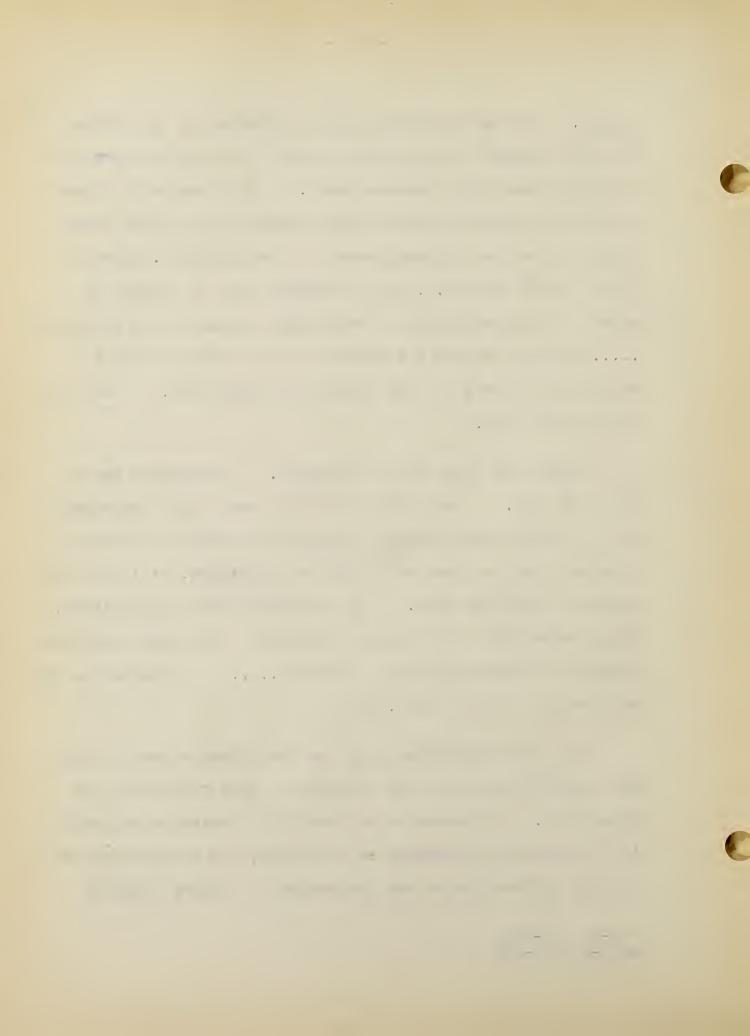


longer. If the ministry could be enlisted on the side of the Free Traders, success was certain; and the ministry had certainly given them encouragement. In a speech in London, of June 18, Cobden promised early success to his Free Trade followers in the following words: "The right hon. Baronet (Peel) tells them (i.e. his followers) that he intends to carry out the principles of free trade gradually and cautiously and tho' we had the verdict in our favor, as far as words could convey it, the votes were against us. But that cannot last long."*

Cobden was right in his prophecy. Protection was on its last legs. Most Protectionists, even, had surrendered to free trade principles in theory, but questioned whether the time had come for them to be put into practice, at least with regard to the Corn Iaws. In the same speech quoted above, cobden made this clear, by the statement, "The whole question hinges on one monosyllable -- 'when?'.... In answer to the word 'when', we say 'now'."**

But "we" represented only the Free Trade element, which was opposed equally by the majority of both Government and Opposition. Of these, some were in the position described in the preceding paragraph -- converted, but questioning the time of application of the principles. Others stuck to

^{*} B-3, 149-150 ** B-3, 150-152



their principle of Protection through thick and thin. Perhaps some though they were right, but there is little doubt that many had been converted and found it impossible to say so because of some earlier unequivocal speech in the Commons against Free Trade. Nothing galls a politician more than to have to say he was wrong. There were those who had admitted favoring Free Trade who could "point with pride" at some earlier statement of theirs stating the ideal condition which Free Trade represented, and adding, of course, that they had only been persuaded that the ideal was attainable at present. However, many Protectionists had not even agreed with the It takes a great man to say, "I was wrong. looking through the wrong spectacles, but I repent. me into the fold." And there were not many great men among the Protectionists -- or even in the whole Commons, for that matter.

Cobden gives a hint of this position in his speech of

June 18 already mentioned, when he says, "These men (i.e.

opponents of Free Trade) cannot make up their minds to admit

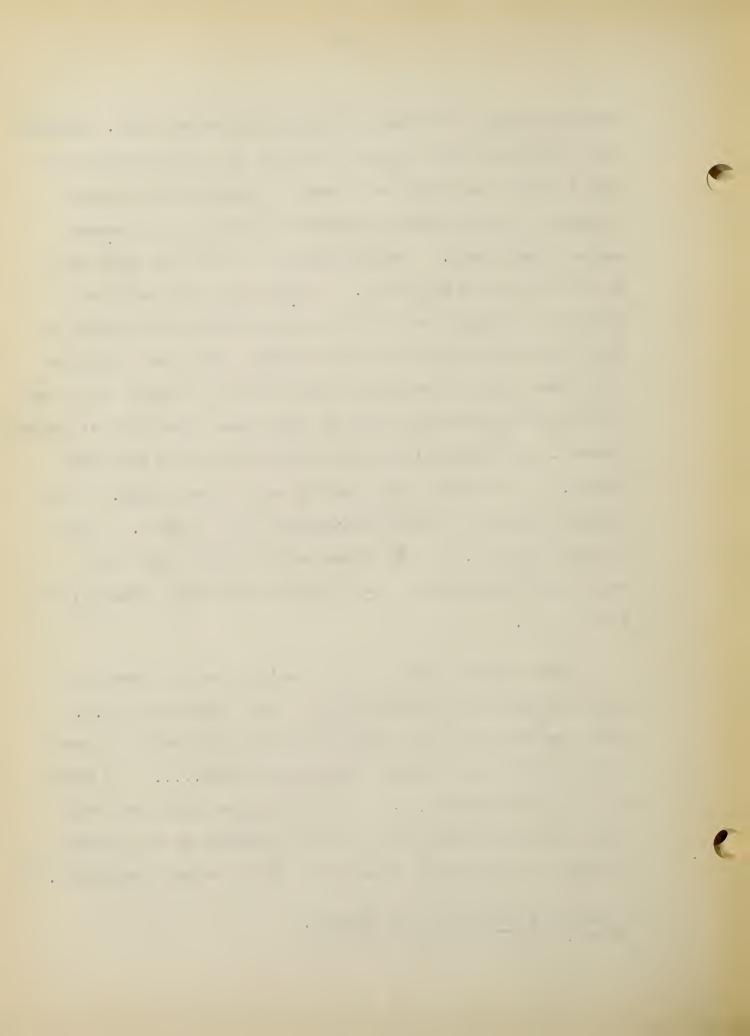
they may have been wrong at some former time.... I wish

we could burn Hansard, and all the debates that have ever

taken place, in order to let these statesmen be at liberty

to adopt a new policy, dictated by their present conditions."**

^{*} Hansard's Parliamentary Debates. ** B-3, 158



During that entire period Cobden, Bright, Villiers, and the other Free Traders had kept up an uncompromising, unremitting, and wholly relentless attack upon the slowly reforming Peel as well as upon all the rest of the opposition to Free Trade, as is so thoroughly evidenced by the record of their speeches and those of others during all the years of Peel's ministry. * What the movement now needed was a calamity of nation-wide import and dimensions. This was to be supplied in a very short time. Within two months ** the potato disease had become apparent on the Isle of Wight. October 13, Peel sent a letter to Sir James Graham, of his Cabinet, stating that there was no effectual remedy for the impending scarcity, except the removal of impediments to import. *** and by October 31, in a meeting at Dublin, the Duke of Leicester at the head of a delegation, urged the Lord Lieutenant that the Government "should. without hesitation or delay, take the most prompt measures for the relief of the Irish people". **** The moment for Free Trade had arrived. The Government must make its decision.

^{*} B-3, R-2, T-2, P-1. ** By August, 1845 *** B-3, 165 **** Ibid

. -

C. Peel and Repeal

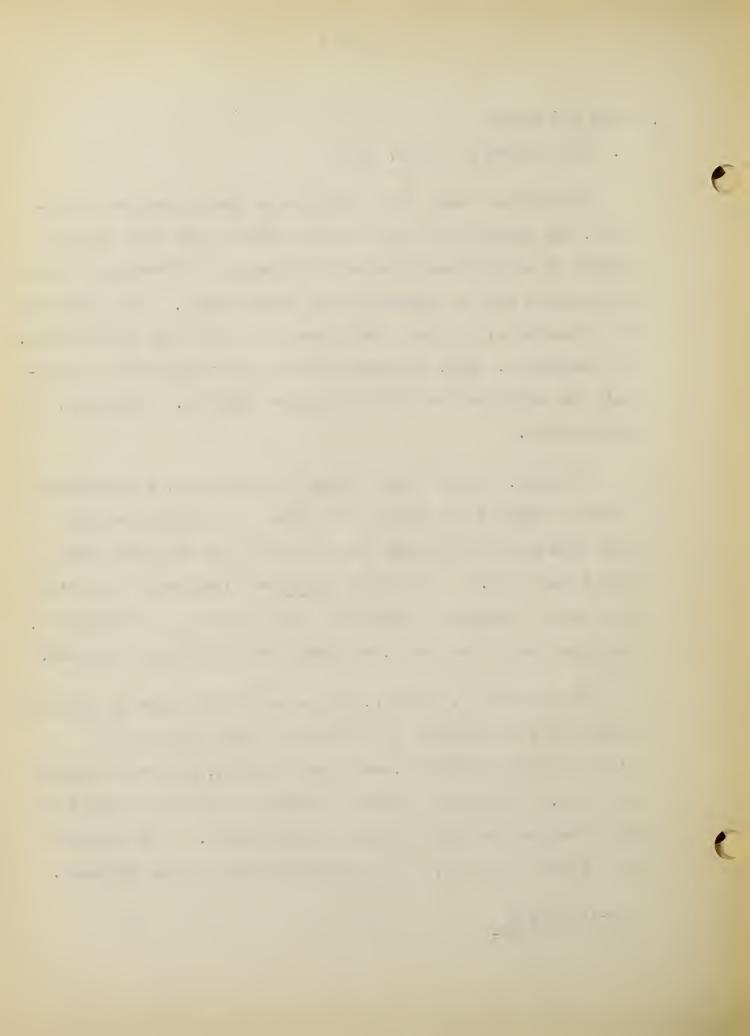
1. The Decision of Sir R. Peel.

Sir Robert Peel, Prime Minister of Her Majesty's Government, was between two fires -- the cries of the Free Traders, backed by high prices of corn and misery of the working classes in England, and the specter of an Irish famine. The pressure was tremendous, and Peel felt that a surrender was justifiable. On November 1, 1845, he stated that it was impossible to maintain the existing restrictions on corn imports. However, he did nothing.

Finally, in the London Times of December 4, a tremendous "Scoop" appeared announcing that after the Cabinet meeting the ministry would ask for the repeal of the Corn Laws and Navigation Acts.* Later the Times was justified, for after the Cabinet Council of December 5 and a meeting of December 7, the announcement was made, and great was the furore produced.

On December 8, however, the assent of the Duke of Wellington, leader of the Tories in the Lords, who "had reluctantly yielded" ** on December 7, was now withdrawn, and others agreed with him. Peel had desired to open the ports and repeal the Corn Laws but had been blocked by Wellington. The Cabinet fell apart when Peel, with a majority against him, resigned.

^{*} P-l-ii, 405
** P-l-ii, 408-9



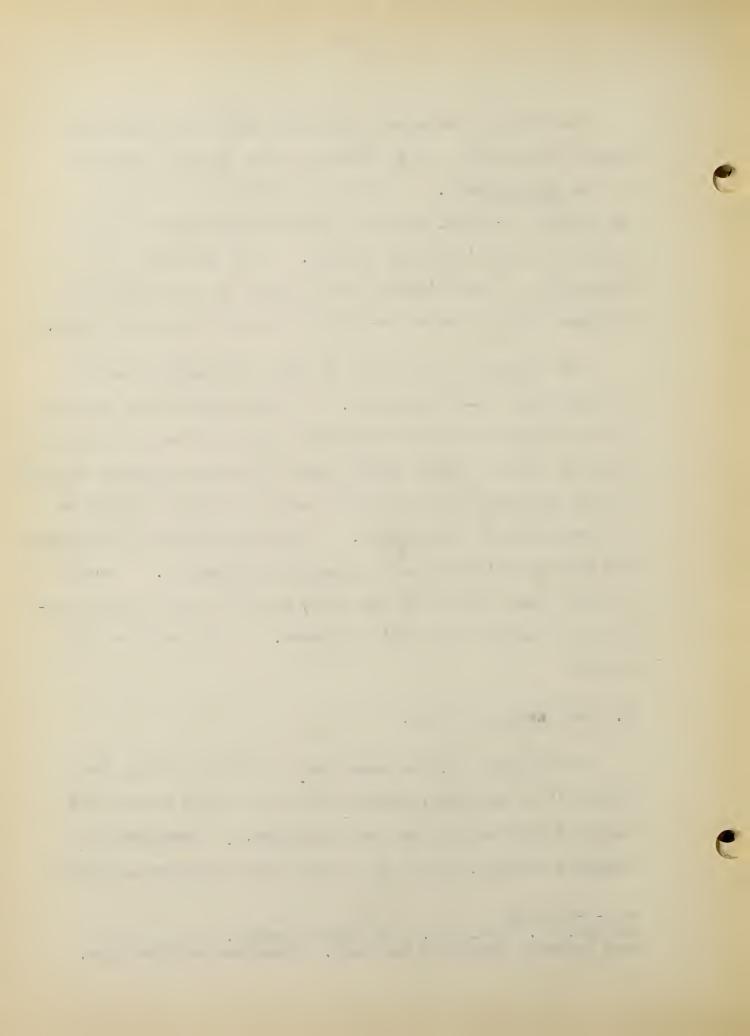
Her Majesty requested Lord John Russell to attempt to form a Government, and he acceded to the request, insofar as the attempt went. Lord Grey refused to enter the Government with him, however, and the Whig effort failed, for lack of his important support. The position of a Government at this time was too critical to try such risky business without the whole-hearted support of all the party.

The attempt of Lord John to form a Government lasted from December 11-20 inclusive.* During this time, meetings of the League were held everywhere, and the crowds, particularly at London, where Cobden spoke, increased greatly, amounting on one occasion** at London, to an overflow of hundreds, so great was the fever pitch. The enthusiasm of the Leaguers was only rivalled by their tremendous excitement. They realized that their time had come, now that the minister himself had declared for their measures. What would be the result?

2. Peel Resumes Office.

On December 19, the Queen sent for Peel to "bid him farewell" on Saturday, December 20, but on his arrival she informed him that she was retaining him. Thereupon he formed a cabinet, minus, of course, Lord Stanley***, all the

^{*} P-1-ii, 411
** Dec. 17. B-3, 173. See Entire Speech.
*** Colonial Secretary for Peel. Gladstone replaced him.



rest remaining except one *, who "died suddenly from the anxiety of the crisis". **

On January 22, the new Parliament opened. Five days later Peel proposed a compromise -- his three-year plan for total Corn Law repeal. From January 27, 1846 until February 1, 1849, the maximum duty on wheat was to be 10s. levied when corn was under 48s./quarter, diminishing by ls./quarter until the price of 53s. was reached. After that point, a 4s. fixed duty. Oats and barley were to be reduced in proportion. Colonial corn was to be free, and the duty on maize nominal. After February 1, 1849, corn was to be taxed at the nominal duty of ls./quarter.

The debate was fast and furious. It lasted twelve nights, and on February 27 the resolutions were carried by a majority of 98.*** The Free Traders had protested to no avail to the slow repeal and the sliding scale principles, on the basis that they kept both the public and the farmers uncertain. Instead of "fixing" the price, therefore, this method allowed for the greatest possible variations.****

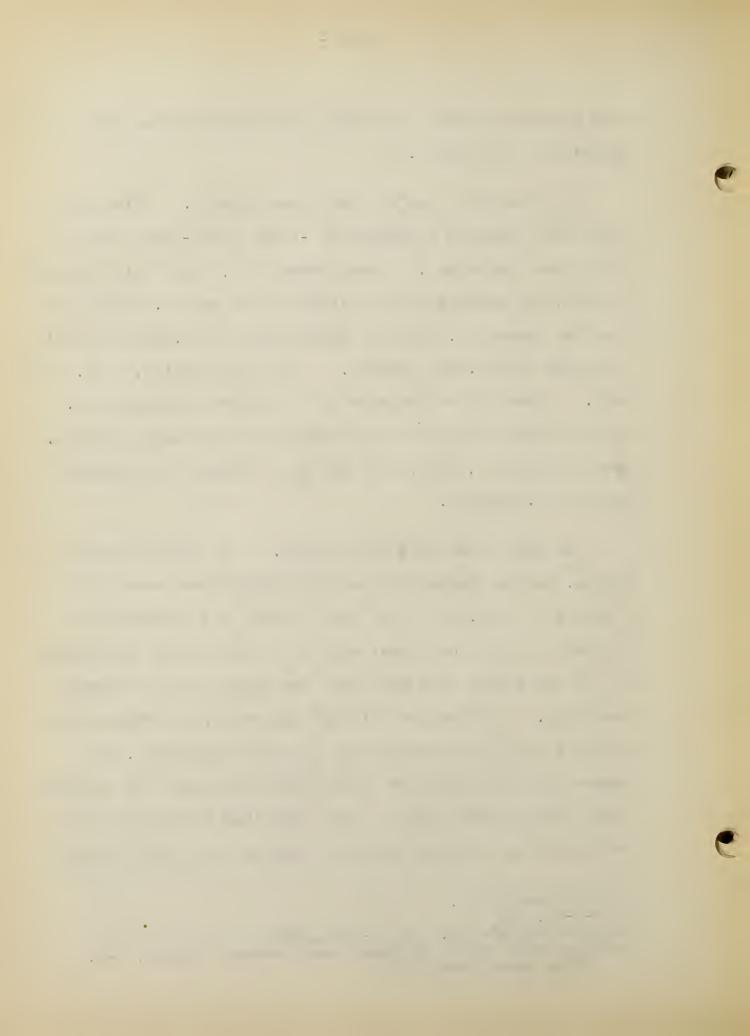
Rogers supports this view with a statement that "the Sliding Scale was precisely one of those plausible expedients which profess to do the least possible harm to the general public,

^{*} Lord Wharncliffe.

^{**} P-1-ii, 419

^{***} Vote was 327-229. See T-1-vi. 227

^{****} For this entire argument, see Cobden's Speech, B-3, Free Trade Speech vii.



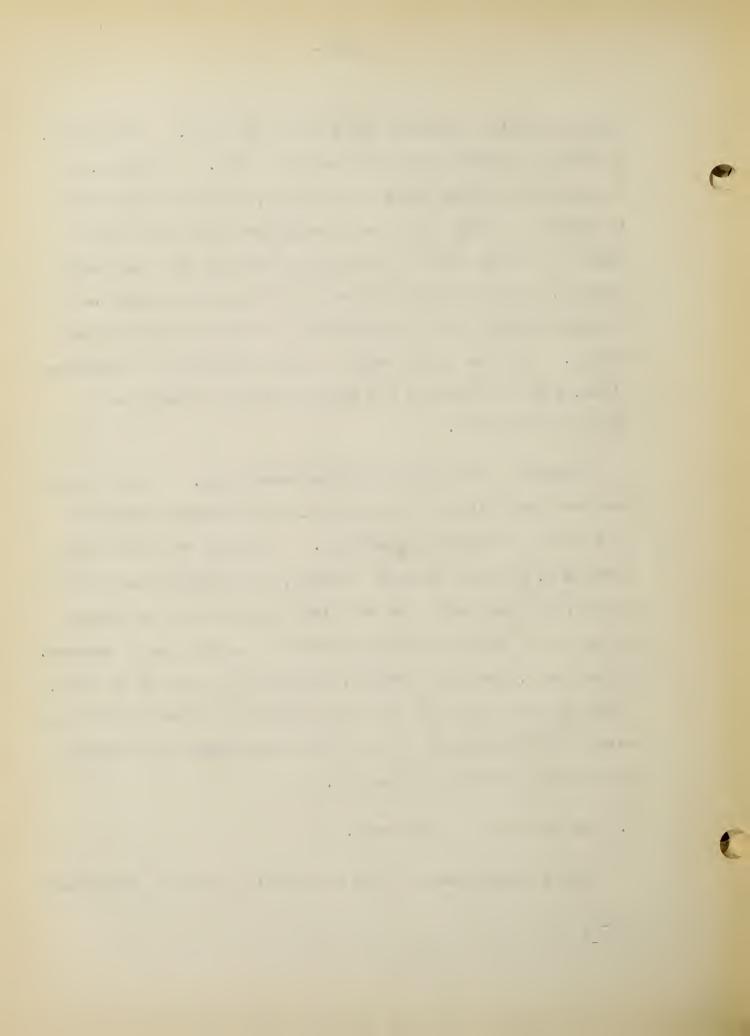
and the greatest possible good to agriculture. In effect, it did the greatest possible harm to both".* Cobden, in a speech on January 15, at Manchester, further argued that to repeal the Corn Iaws slowly would give the landlords a chance to plead lack of knowledge of how the new law would operate, and as a result there would be no adjustment -- for which there was a crying need -- between landlord and tenant. On the other hand, he said, "abolish all restrictions, and the landlord and tenant will be brought to a prompt settlement".**

However, the objections were unavailing. The Government was unwilling to give ground, but supported what was obviously a temporary compromise. Perhaps Pell felt that a measure, such as the Free Traders, as immediate reformers, wished, was too harsh for immediate application, or perhaps he had fears that he would be unable to carry such a measure. At any rate, the Free Traders, seeing they could do no more, threw in their lot with the Government and helped to pass the most favorable measure for complete Free Trade yet proposed by any party head in Parliament.

3. The Conflict in the Lords.

The struggle was not yet won, until the Lords gave their

^{*} R-1, 43 ** B-3, 186

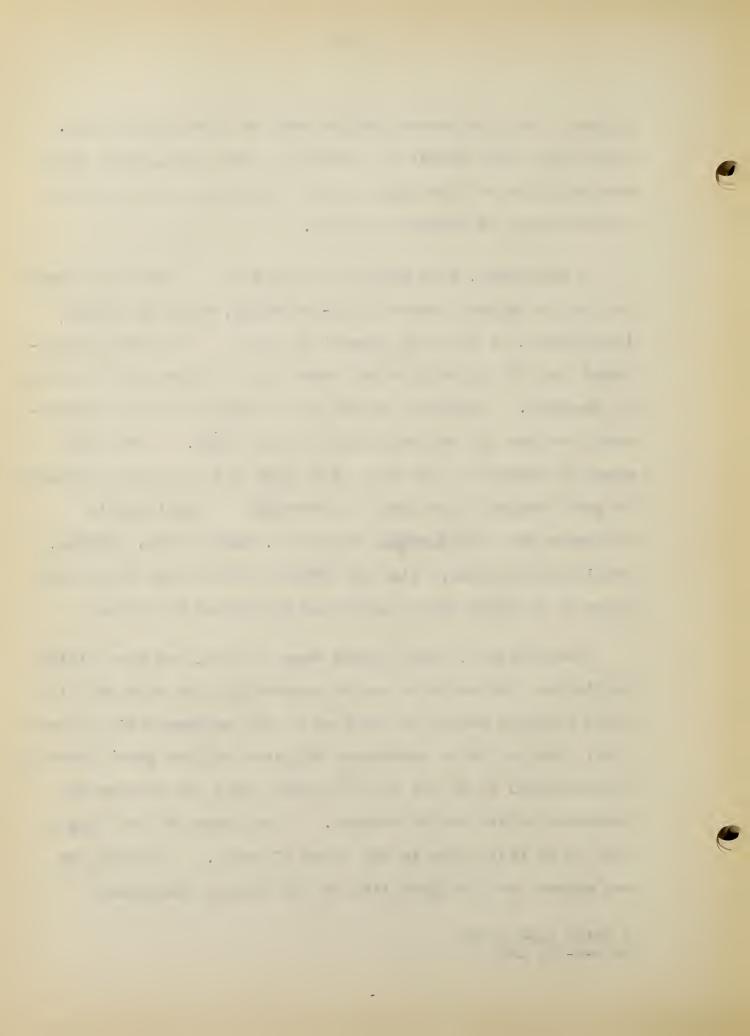


support; and the Protectionists were far from losing hope. They might still defeat the measure in the Lords, where they were ably led by Lord Stanley*, and could count on a considerable amount of landlord support.

Furthermore, what would Wellington do? Would he support his fellow cabinet member whole-heartedly, would he remain indifferent, or would he oppose the bill? It will be remembered that his opposition has broken up the former Peel Cabinet in December. However, he was now a supporter of the Government, and was its representative in the Lords. Would he speak in support of the bill, and if he did, would his influence be great enough to put the bill through? Wellington's influence was considerable, and Sir H. Maxwell was, perhaps, justified in saying, "Its (the Repeal Bill's) fate lay in the hands of a single peer; how would he dispose of it?" **

Nevertheless, other forces were at work, and were aiding Wellington, and while we can be reasonably sure that the bill could not have passed in the face of his uncompromising opposition, since he was a Government minister and had great prestige, nevertheless, it is not at all certain that its passage was dependent on his active support. The forces of the League were to be felt, even in the House of Lords. However, we may assume that the defection of the leading Government

^{*} Later Lord Derby ** M-3-11, 157



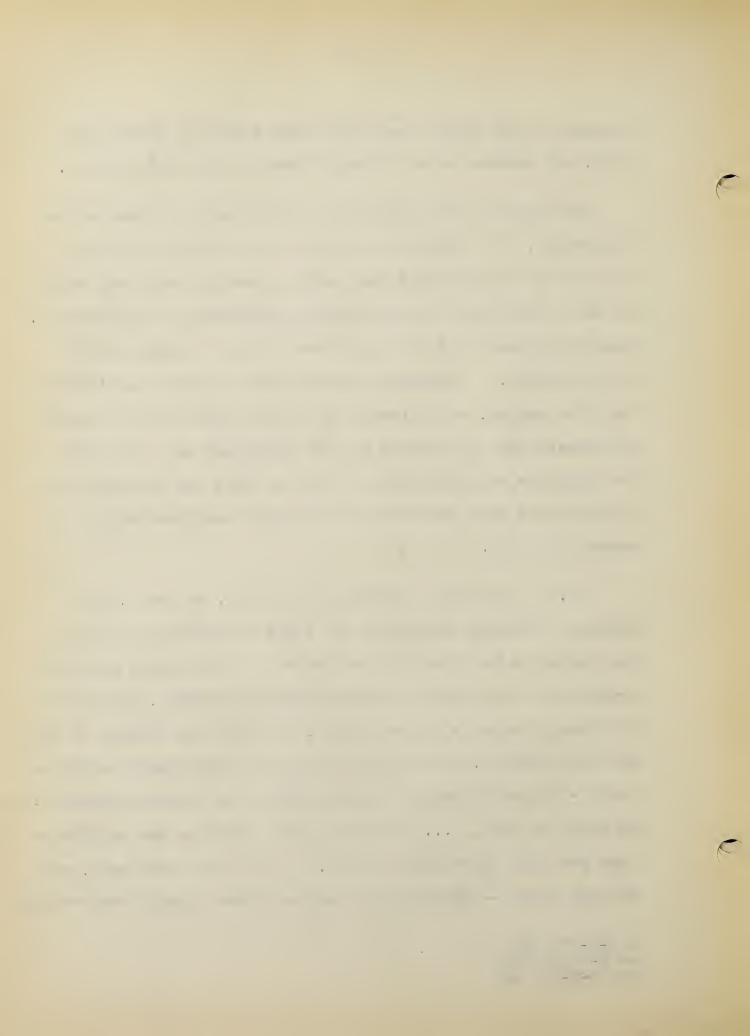
Minister in the Lords would have been enough to defeat the bill, and perhaps even his indifference would have done so.

Wellington first appealed to Lord Stanley in the following manner, "My opinion is that you should advise the House to vote that which would lead most to publick order and would be most beneficial to the immediate interests of the country".*

Stanley refused, and Wellington was forced to speak in the bill's behalf. Though he had not really wanted to disturb the corn duties, he believed, in his own words, that "a good government for the country is more important than Corn Laws or any other consideration" **; so, as Peel was the only man to give that good government, Wellington would assist him to repeal the bill.

So, at the second reading of the bill, he spoke, and
Maxwell touchingly describes the scene of Wellington before
the Lords, as he "stood at the table -- a lean, bent figure,
crowned with the snows of six-and-seventy winters, and spoke
in accents broken - not with fear, for that was unknown to him nor with emotion, for to that he had schooled himself never to
yield - but with age and the faltering of an unready speaker".***
He said, in part, "... I never had any claim to the confidence
that you Lords have placed in me. But I will not omit, even
on this night -- possibly the last on which I shall ever venture

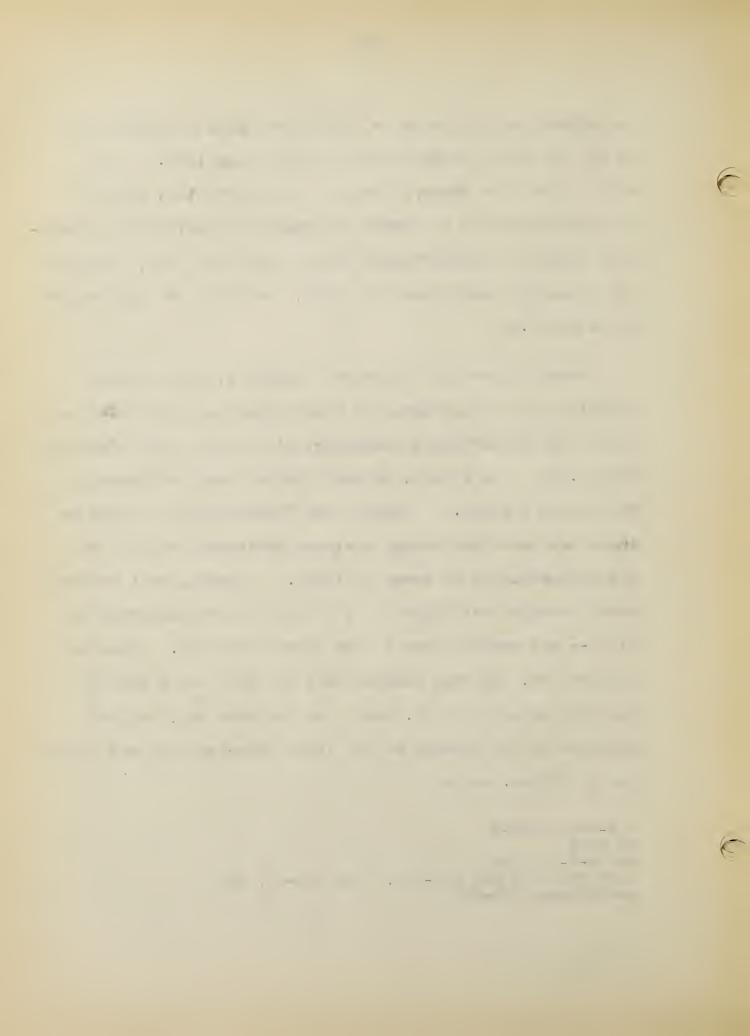
^{*} M-3-ii, 158 ** M-3-ii, 153 *** M-3-ii, 158



as to the vote you should give on this occasion".* He advised that the House of Lords approve the bill, since it was recommended by the Crown and passed by the Commons, therefore making it clearly their duty to pass it; for, "without the House of Commons and the Crown, the House of Lords could do nothing".**

Maxwell says that there was "manifest, even in more striking manner than upon the Roman Catholic Relief Bill in 1829, the extraordinary ascendancy of the Iron Duke over his peers".*** As a Tory, probably Maxwell was influenced in Wellington's favor. Perhaps the "ascendancy" of which he spaks may have been merely a strong influence, but not as preponderating as he seems to think. Indeed, most writers hardly mention Wellington as a factor in the passage of the bill -- and probably err in the other direction. However that may be, the fact remains that the bill was pissed by the safe majority of 47.**** On the same day, Peel was defeated in the Commons on the Irish Coercion Bill and forced out of office. *****

* M-3-ii, 158-9 ** Ibid *** M-3-ii, 158 *** The vote was 211-167. See T-1-vi, 227 **** Vote, 292-219



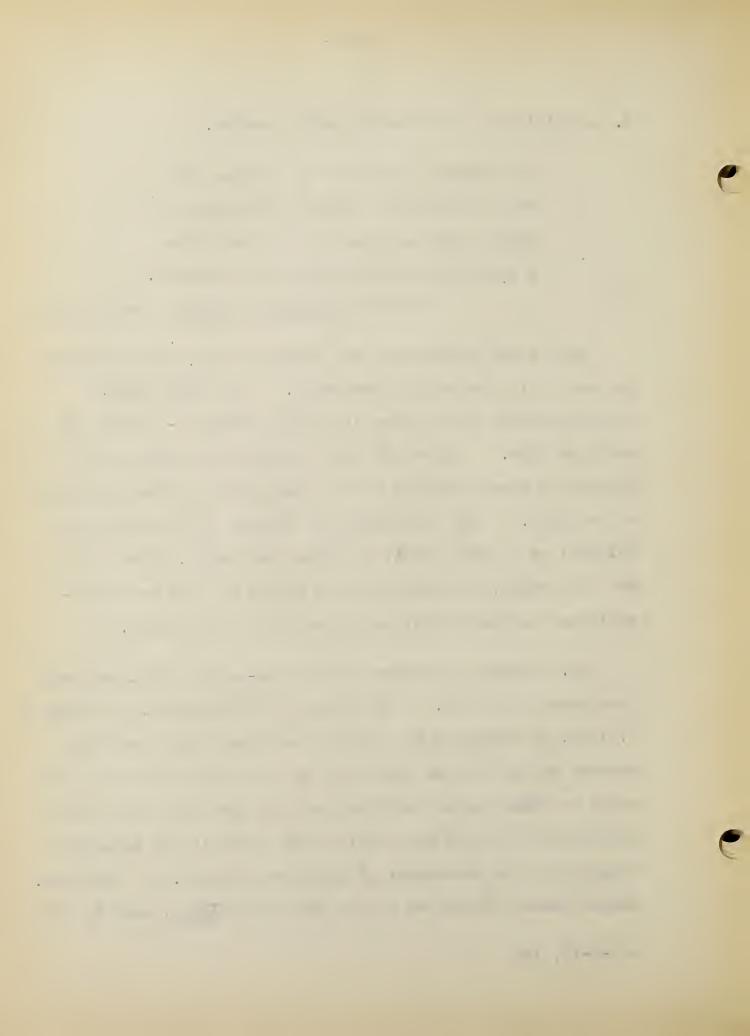
4. A Criticism of Sir Robert Peel's Action.

"In matters historical we Britons have worm so long the coloured spectacles of Party, that the puzzle is to translate a pure ray without sacrifice of sparkle."

(Maxwell, Century of Empire; Preface, ix)

Both sides criticized Peel before, during and long after his action in advocating free trade. The Free Traders thought that he should have acted long before -- indeed, as early as 1843. They would have excused his action on the grounds of dire necessity of his countrymen and the upholding of an ideal. The Protectionists condemn him for not being faithful to a Party trust; for the Tory Party, of which he was the leader, had been put into office in 1841 on the unequivocal and distinctly Tory platform of Protection.

Mr. Villiers, of annual Free-Trade-motion fame, has been lead harsh than some. In a speech in Parliament, of February 1, 1844, he expressed his regret that "the right honorable baronet had not, if he might use the term, the spirit to turn round on these people (aristocrats) and show them their utter helplessness without him, their utter inability to administer without him the government of their own system".* Prentice, League leader and editor of the Manchester Times, says in 1853



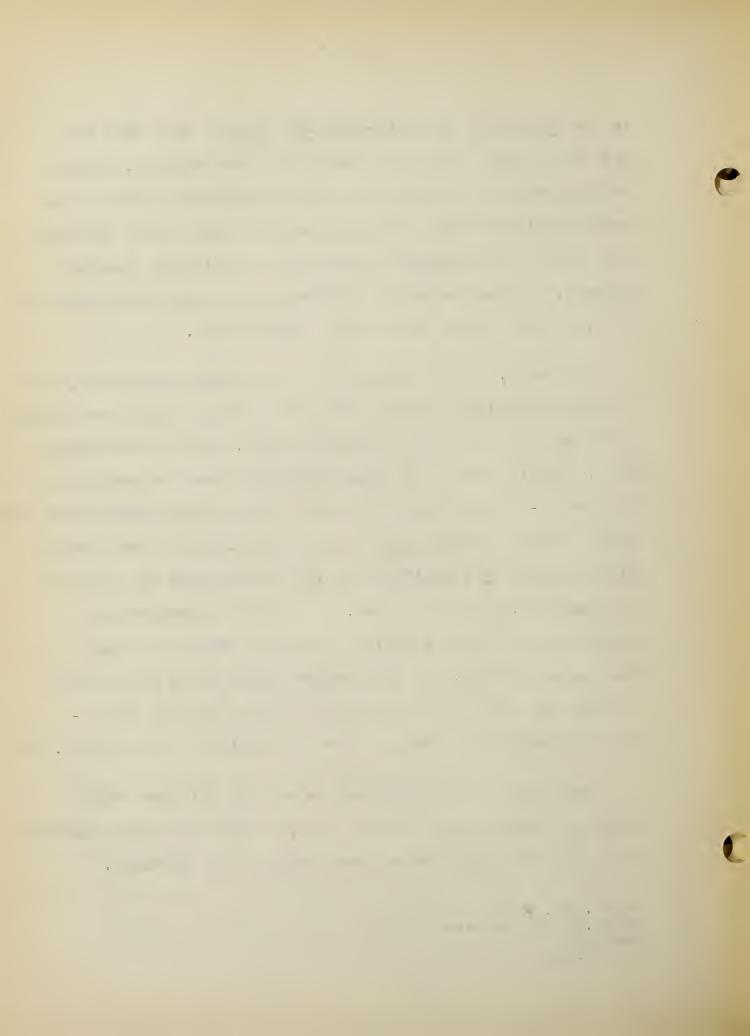
in his History of the Anti-Corn law League*, that Peel had not the courage, that "he submitted to the indecent, haughty and dictatorial declarations of the monopolists, that he was nothing without them; wincing, perhaps, under their insolence, but without the boldness to set them at defiance; resolved, perhaps, at some favorable opportunity, to assert his independence, but not daring to make the opportunity".

Disraeli, in his biography of Lord George Bentinck**, says (and the reflection is upon Peel), "The first duty of an English Minister is to be faithful to his party", and his biographer says, "The instrument by which government must be carried on is party -- an instrument which Peel never fully appreciated."***

Later, Disraeli himself was to prove unfaithful to the Protectionist party by repudiation of their principles on the basis of necessity, as we shall see. As for the Conservative party's view of Peel's action, I believe Maxwell is right when he says, "What the Conservative party could not forgive -- what reduced it to impotence for many a year to come -- was the feeling that they had been led blindly into a trap".****

Peel was a great statesman -- not the faithless cheat that the Protectionists make of him, or the spiritless weakling that the Free Traders have almost universally pictured.

^{*} Vol. 21, p.167 ** Ch.20 or see M-4-iii, 322 *** Ibid **** M-3-2, 181



Maxwell says that Peel "had undermined the outworks of Protection by his Free Trade budgets of 1842 and 1845, and he was under no illusion as to the goal to which he was gradually leading his party. ... he knew that if the pace were forced that the party must inevitably fall into confusion."*

In other words, Peel had laid careful plans which would mature at the first favorable opportunity. Then he showed the courage and wisdom to strike at the right time. As to the charge of the Protectionists, the only necessary reply is, can anyone doubt that even the most ardent Protectionist was aware of the direction in which Peel was heading? And as to the charge of cowardice, it can be said that he faced rupture of party without flinching, and later gave up his position without whining, and with a sense of duty well done.

He knew his time in office must be short after the break.

Yet he made his sacrifice to what he believed was right at the time when it would do the most good. No apologies are needed for him. The queen in a letter to the King of the Belgians describes her "extreme admiration for our worthy Peel, who shows himself a man of unbounded loyalty, courage, patriotism, and high-mindedness".** In his last Parliamentary speech while in office, he attributed "the success of those measures" to "a man who ... enforced their necessity with an eloquence to

^{*} M-3-11, 152 ** M-3-11, 155

e e s s 1 4 6 6

be admired because it is unaffected and unadorned --

Richard Cobden".* For himself he takes little glory.

He said, in the same speech, "It may be that I shall leave a name sometimes remembered with expressions of good-will in the abodes of those whose lot it is to labour, and to earn their daily bread by the sweat of their brow, when they shall recruit their exhaused strength with abundant and untaxed food, the sweeter because it is no longer leavened by the sense of injustice".** Far from blaming him, we can only add a spirit of sublime modesty and of willing self-sacrifice to a great cause, to his other virtues.

5. The Inevitability of the Success of Free Trade.

"Demos never becomes really dangerous until his belly is empty".*** So says Maxwell concerning the agitation of 1816 because of the starvation prices of corn. We might well have applied it to the whole movement. Starvation wages and high prices were great stimulants of the activity of the lower classes in the Anti-Corn-Law Agitation. On being told that they stood to profit by Free Trade, the workers rose in a body, as it were, to voice their approval. The full lunch-basket or pocketbook has ever been one of the best arguments of the politician in a democratic country. The

^{*} P-1-ii, 440
** This portion of the speech is now engraved on a statue to his memory.
*** M-3-i, 201

· · .

speech by Cobden in London, June 18, 1845, best illustrates this case. He says in graphic and in no ambiguous terms, "Why do we advocate the removal of this bad law? -- because it is destructive to the interests of the great body of the people. This movement has not taken place ... because it (the Corn Law) is an error in political economy -- it is opposed because the Corn Law is intended to restrict the supply of food of this country and put the nation on short commons."* It is a matter of interest that many manufacturers who supported the movement hoped to profit by a reduced wage accompanying the reduced cost of food -- also, therefore, in the hope of economic gain.

Furthermore, the movement had an appeal to the moral instincts of the people. Into the speech of Cobden's just quoted, the author has injected a considerable amount of morality, emphasizing free trade as a moral truth, and stating that the victory of the cause would have a solid moral worth on the people of the country, since it was a victory of the right.** What army has gone to battle without this idea of the essential truth and fundamental "rightness" of its cause? Indeed, Rogers says that Free Trade had "aroused the spirit of a crusade," *** and that, Irish famine, or no irish famine,

^{*} B-3, 153 ** B-3, 157 *** R-1, 34-35

e > e o P

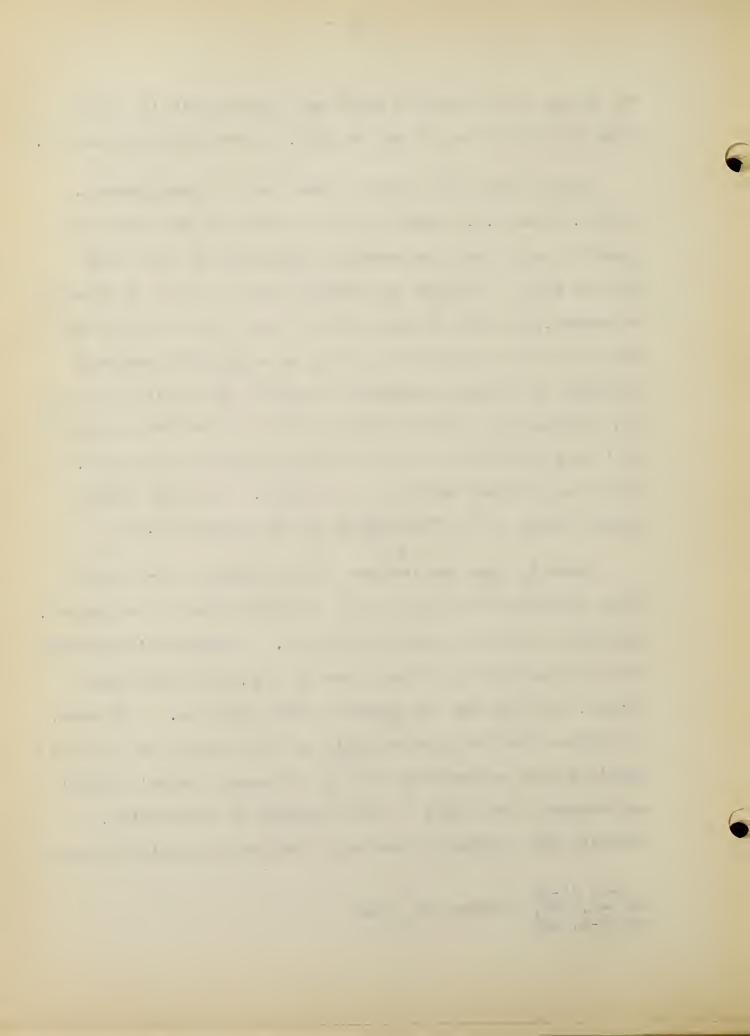
"an appeal to the country would have resulted in the repudiation of protection, if not in 1845, yet very speedily after".*

Besides the moral appeal, there was the humanitarian. Cobden, as an M.P., speaking in Parliament on the eve of the Repeal**, expressed the essential principle of Free Trade when he said, "You take the article which you have in greatest abundance, and with it obtain from others that of which they have the most to spare; so giving to mankind the means of enjoying the fullest abundance of earth's goods, and in doing so, carrying out to the fullest extent the Christian doctrine of 'Doing to all men as ye would they should do unto you'."

Thus also religion enters; and, indeed, in another speech Cobden speaks of the "Sacredness of the principle".***

There is also the instinct for the peace of the world, which under universal Free Trade would practically be assured, and again Cobden has something for us. Indeed, his speeches are more comprehensive than those of any other Free Trade orator, for they run the gamut of human emotions. He says, "I believe that the physical gain (of Free Trade) will be the smallest gain to humanity from the successof the principle"; and compares Free Trade to the principle of gravitation, "drawing men together, thrusting aside the antagonism of race.

^{*} R-1, 34-35 ** b-3, 198, February 27, 1846 ** B-3, 187

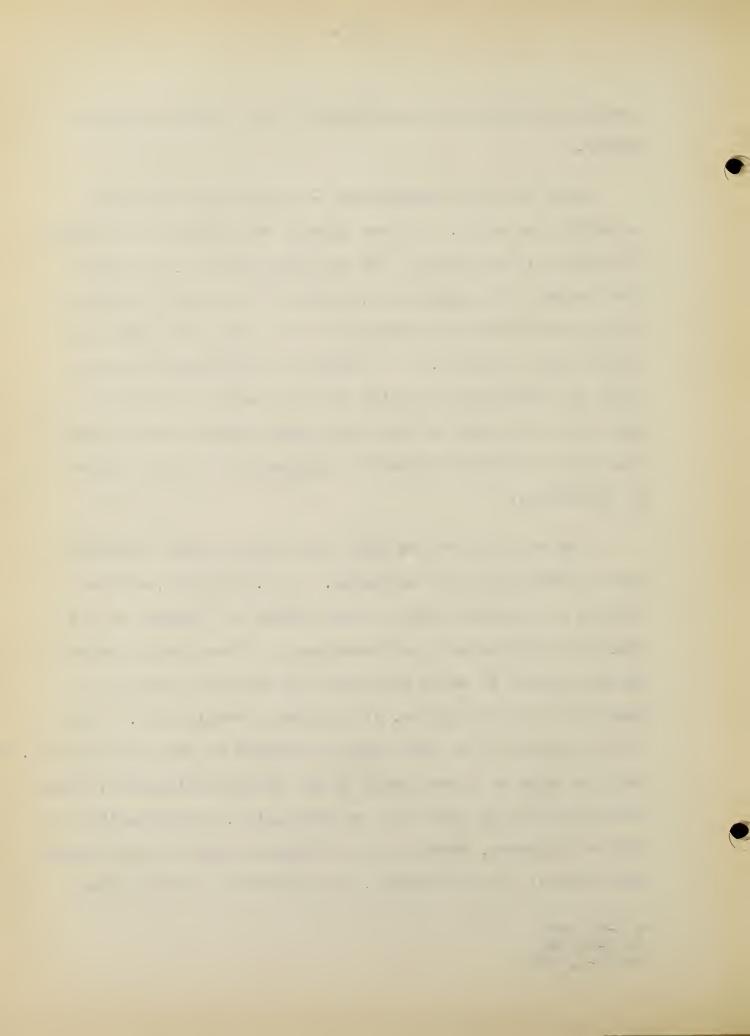


creed and language, and uniting us in the bonds of eternal peace".*

There are also missionaries -- people who would like to reform the world. Cobden appeals to them also, by saying, "I believe if you abolish the Corn Law honestly, and adopt Free Trade in its simplicity, there will not be a tariff in Europe that will not be changed in less than five years to follow their example".** Indeed, the Britisher has never quite lost the sense of pride that his nation should have seen this true light of the Free Trade principle and adopted it, while all other nations are groping in the dark alleys of Protection.

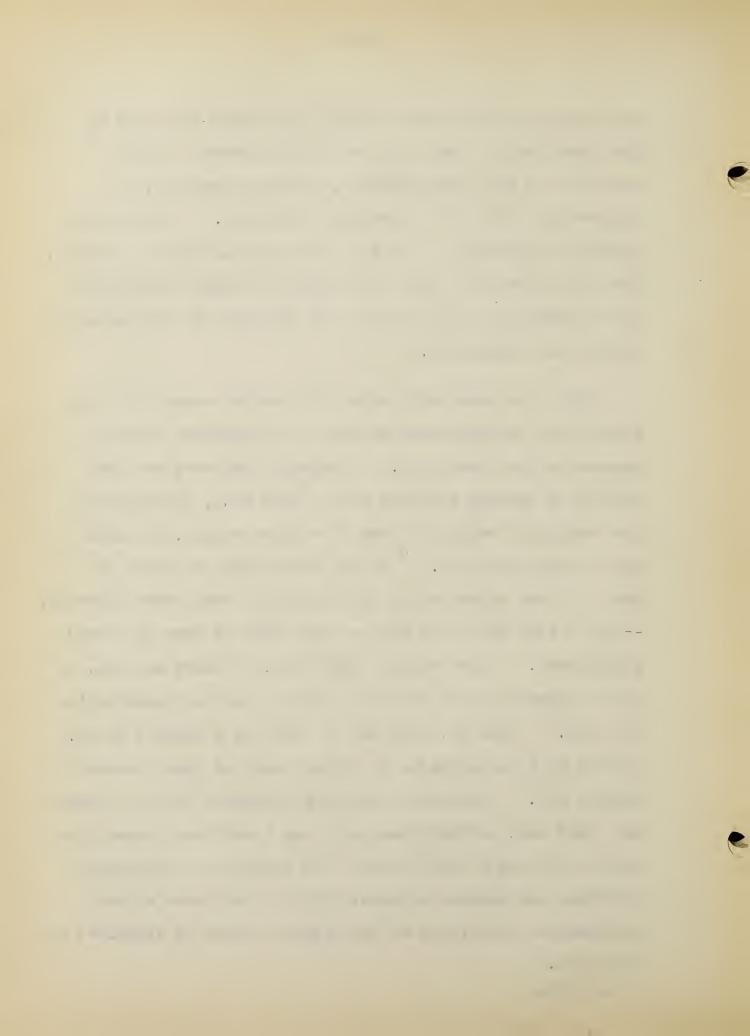
I do not suppose all these are equally potent reasons;
but all have had their influence. Mr. Dibelius, who has
written a remarkable book of real vision on "England -- its
Character and Genius", says succinctly, "When British propaganda succeeds in using spiritual and material forces, the
idealists and the egoists, it is almost irresistible. Here
is the secret of its Free Trade propaganda in the 19th Century".***
He later says as a complement to his previous statement, "Free
Trade held out the prospect, to the egoist, of prosperity for
his own industry, thanks to an unlimited supply of raw material
from abroad; to the patriot, the prosperity of his native

^{*} B-3, 187 ** B-3, 185 *** D-1, 107



land, once free from the red tape tied round its limbs by
the bureaucratic limitations of the old state; to the
idealist and the philanthropist, an end of poverty, of
destitution and of war throughout the world. No one saw
anything suspicious in the fact that England stood to profit,
first and foremost; that fact merely afforded confirmation
of the theory that, at bottom, the interests of the whole of
mankind are identical".*

This is a remarkably clear and concise summary for one who was not an Englishman by birth -- or perhaps clearer because of that very fact. However, like most men who delight in drawing pictures with a bold hand, Dibelius has the faculty of making all men of various colors, but each man of only one color. If the types which he holds up have all been attracted by this appeal of free trade, however, -- and I feel that they have -- then what he says is indeed significant. The average individual, if there be such, is not all green or blue or red or yellow, but is a combination That is, each man or woman is a complex being. capable of being appealed to through many of these channels. Therefore, the more different kinds of appeal perhaps all. the ideal has, the more people it has a continual appeal for under a variety of conditions; and perhaps the subsequent continual and unswerving popularity of Free Trade with a considerable proportion of the English people is explained by this fact.



VIII The Establishment of Free Trade as a National Habit

A. What the Repeal had Accomplished.

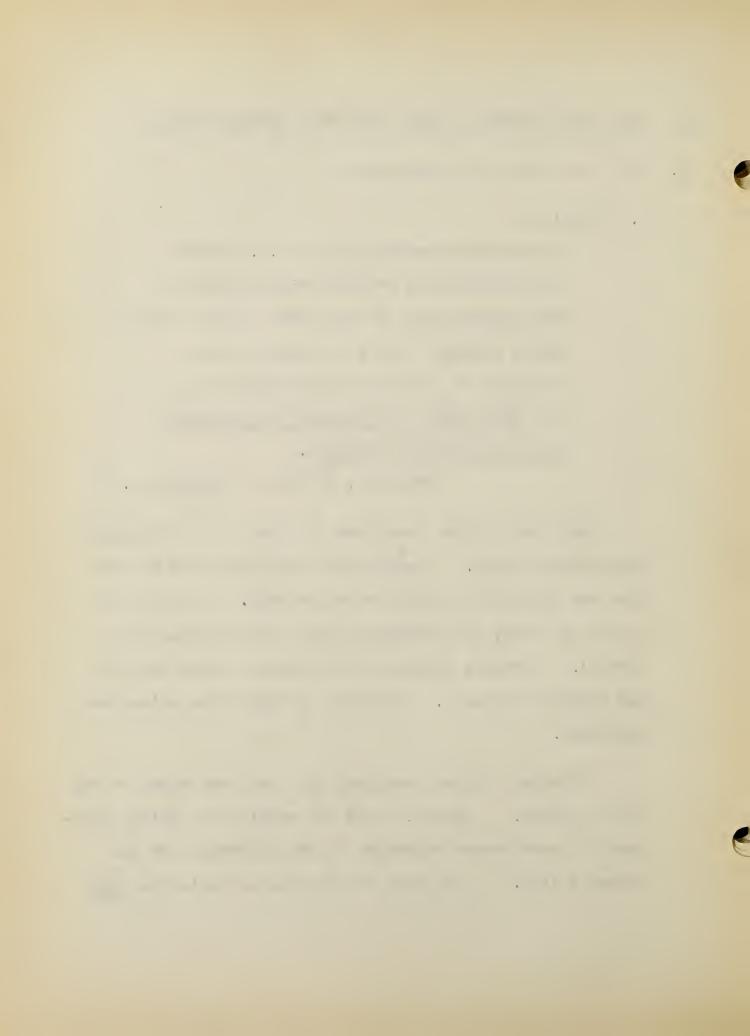
1. Importance

"The newly ascendant class (i.e. middle) consolidated its position unassailably by the introduction of Free Trade (1846), which dealt a deadly blow at the agricultural interest of the great landed proprietors, and made trade and industry the permanent basis of English politics".

(Dibelius, Wilhelm -- England, p.25)

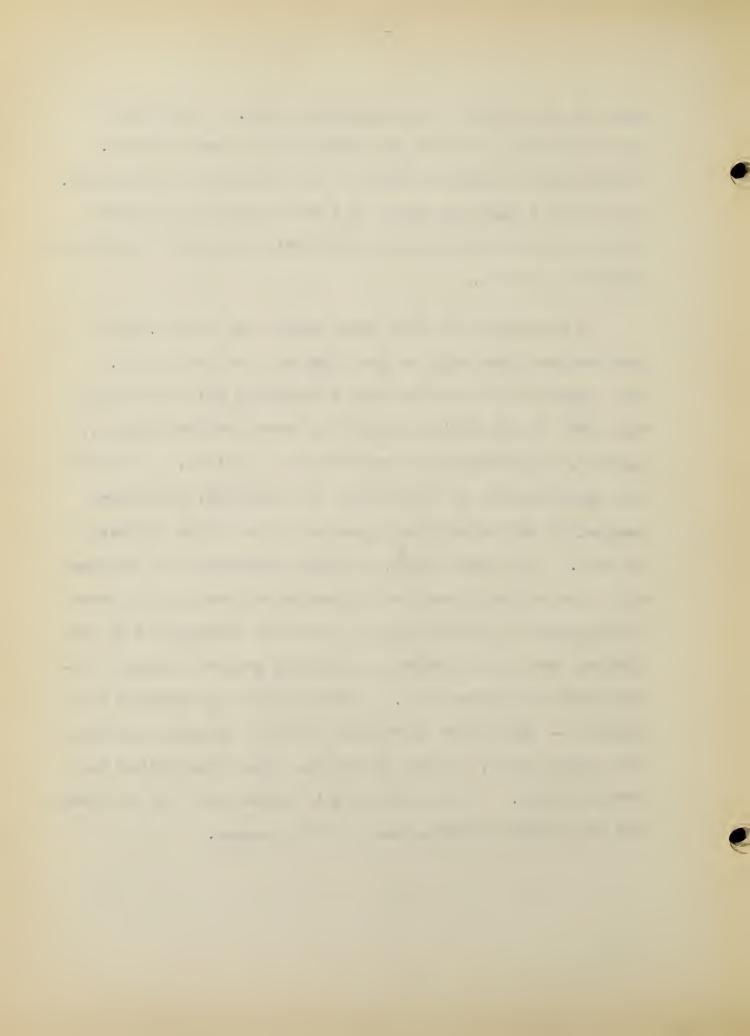
The Repeal of the Corn Laws had meant to the English people many things. These have been dealt with in the previous chapter, and need no review here. Suffice it to say that many Englishmen expected the millenium had arrived. Others, especially the farmers, were left in the depths of despair. Neither of these conclusions was justified.

The repeal had not realized all that some hoped -- and others feared. Indeed, while the country was fairly prosperous, there seemed otherwise little difference in the nation's life. The truth is that the millenium had not



arrived, in reality, as we shall soon see. The fact of the matter is, that Corn Law Repeal had become a symbol. It had been an important part of the defenses of Protection, but the fact that its towers had been razed to the ground did not necessarily mean the annihilation of the Protectionist System as a whole.

It has been seen that, even before the Repeal, many breaches had been made in the thick wall of protection. The Budgets of the entire period beginning with Huskisson's work 1823 to the period at which we have arrived contain, in general, many examples of reductions of tariffs. true particularly of the budgets of 1842-1846, which were managed by Peel after his accession to the Prime Ministry in 1841. In other words, the Corn Law repeal was but one act of an entire process of lowered or revoked tariffs over a long period of agitation, which was so intensified in the last six years as to effect relatively greater changes. culminating in the above act. Other obstacles remained to be hurdled -- the duties on various kinds of Colonial produce, the excise taxes, and the Navigation Laws which raised the freight rates. Peel had hoped to revise the last of these. but his tenure of office was not long enough.



2. Permanence

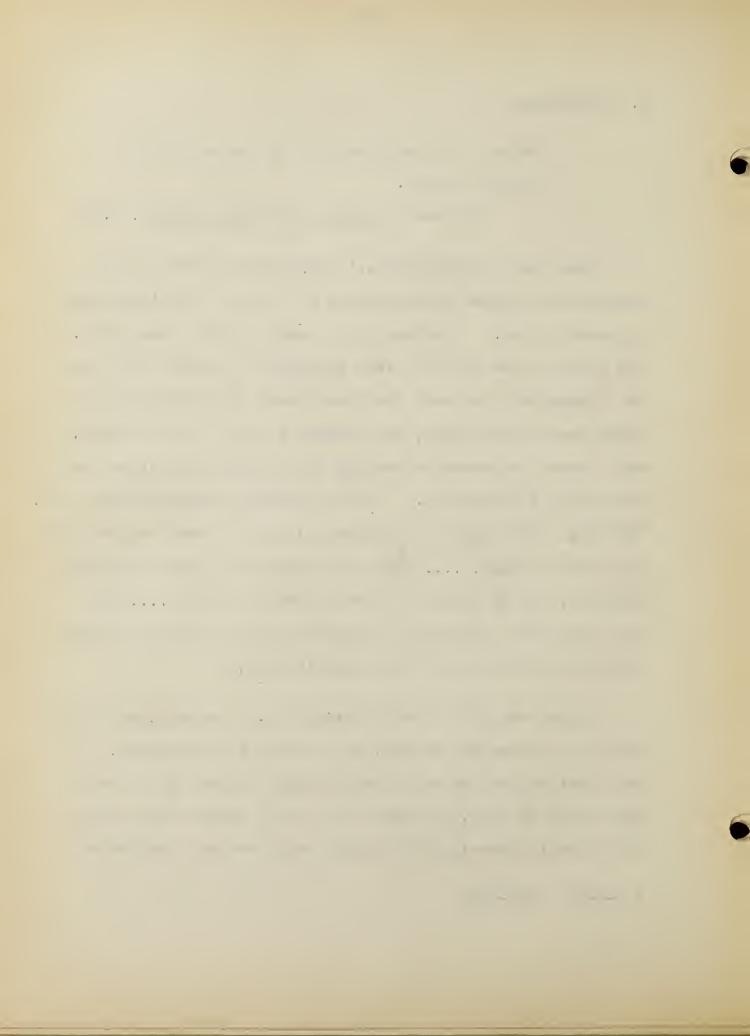
"There is no real reaction in the policy of a free country".

(Rogers, Cobden & Political Opinion, p.69)

Under the circumstances, it might have seemed as if people would become disillusioned at the new principles they had established. Curiously, no such reaction took place. All classes were hopeful, save perhaps the farmers, who were too disappointed at what they considered the infidelity of their traditional party, the Tories, and had lost all hope. The classes concerned in trading and in the manufactures were particularly optimistic. The following statement shows this. "The fact that many of the hopes held out by Free Traders had not been realized, that the commercial system had been followed, not by plenty at home and peace abroad had not caused the commercial and manufacturing classes or their Parliamentary leaders to lose confidence".*

Cobden was particularly optimistic. He said, on July 4, 1846, just after the repeal, in a speech at Manchester, "I hold that you may as soon abolish Magna Charta, or do away with Trial by Jury, or repeal the Test & Corporation Act or the Catholic Emancipation Act, as ever re-enact protection

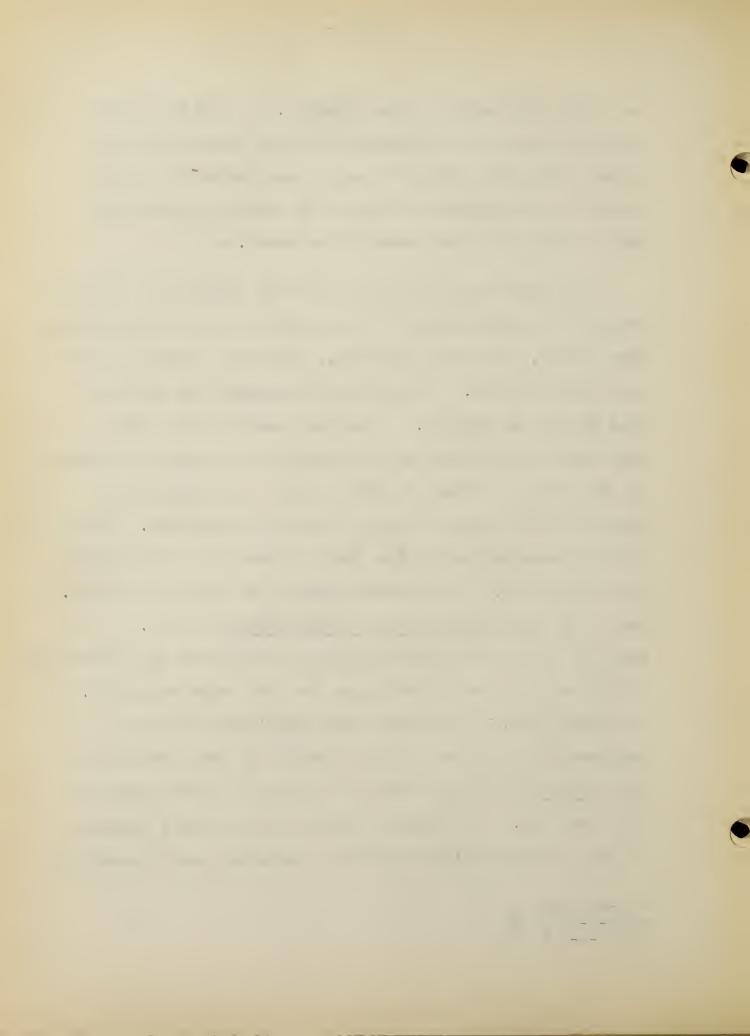
^{*} M-4-111, 196-197.



as a principle again in this country".* And well might he have reason to be optimistic, for, as Disraeli's biographer, Monypenny, says, "A cause (Free Trade) that could survive so unpromising a start could count an increasing body of adherents when better times came".**

But Cobden and the rest of the Free Traders had a better reason to be optimistic; for the question had been decided by open battle, fairly and squarely, and public opinion had had ample time to form. Indeed, many regarded the question, once passed, as settled. The best example with which I have become acquainted is that provided by Disraeli's account of Palmerston's refusal in 1852 to join his (Disraeli's) cabinet, if it were to run on a Protection platform. (Lord Palmerston) had always been in favour of a fixed duty on foreign corn. He had advocated it in 1846 to the last. But it was too late to think of such things in 1851. He would be party to no ministry which contemplated the possibility of any change or modification in the Free Trade measures". *** In other words, he, and many other Englishmen like him, regarded the settlement of the question of Free Trade as a fait accompli from the time of the passage of the repeal of the Corn Laws. In England, particularly, when a measure is passed after having been fairly combatted over a reasonable

^{*} B-3, 200 ** M-4-iii, 197 *** M-4-iii, 344



length of time, once the stubborn English Lord gives in, he concedes the victory. Prentice says of this particular characteristic, "Our tories resist until they can resist no longer; and when any little thing is done, that little becomes a settlement, a part of venerable institutions; a finality ..."*

Of the entire group of really great statesmen of this period, we find only Disraeli "lamenting the destruction of our colonial system and expressing the belief that we shall ere long have to reconstruct it", and also noting that England "generally retraced its steps".** This seems to have been a very poor analysis on Disraeli's part, but, as we shall soon see, it was only his immediate reaction. In a short time he was to change his views radically.

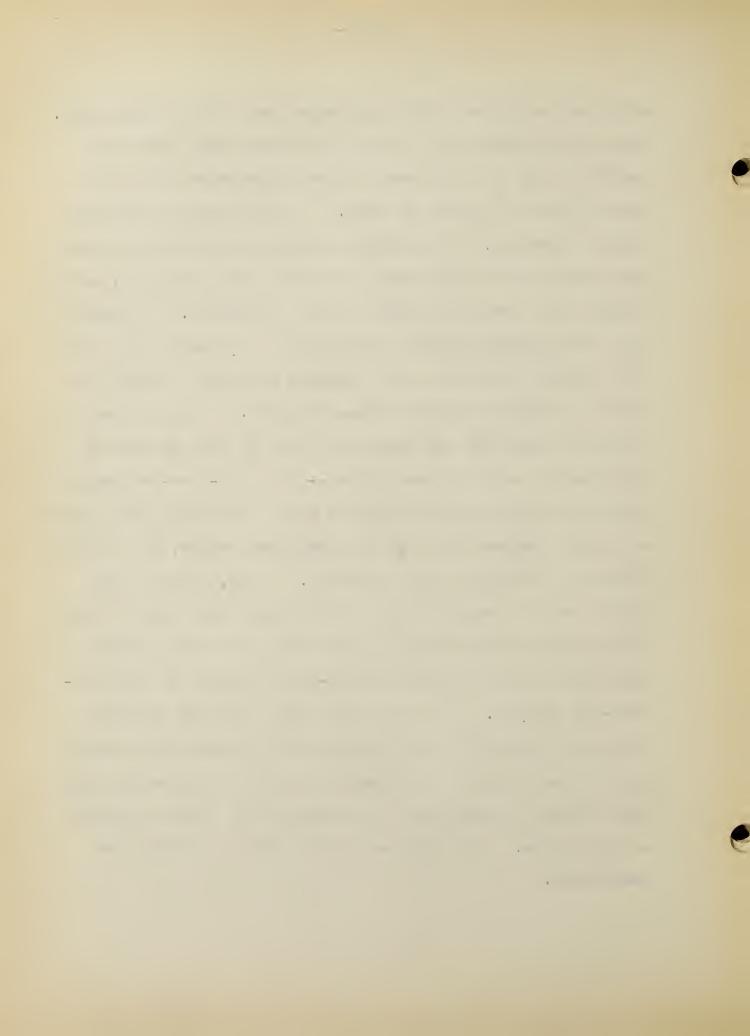
B. The Protectionists (or Die-hard Tories)

1. Resistance to the Repeal.

As might be expected, there was, in the House of Commons and outside of it, a vigorous opposition to the Free Trade wovement. It is quite evident from the nature of the case that the Landlord party would oppose to the last any Free Trade measure in corn, since the Protection in this commodity

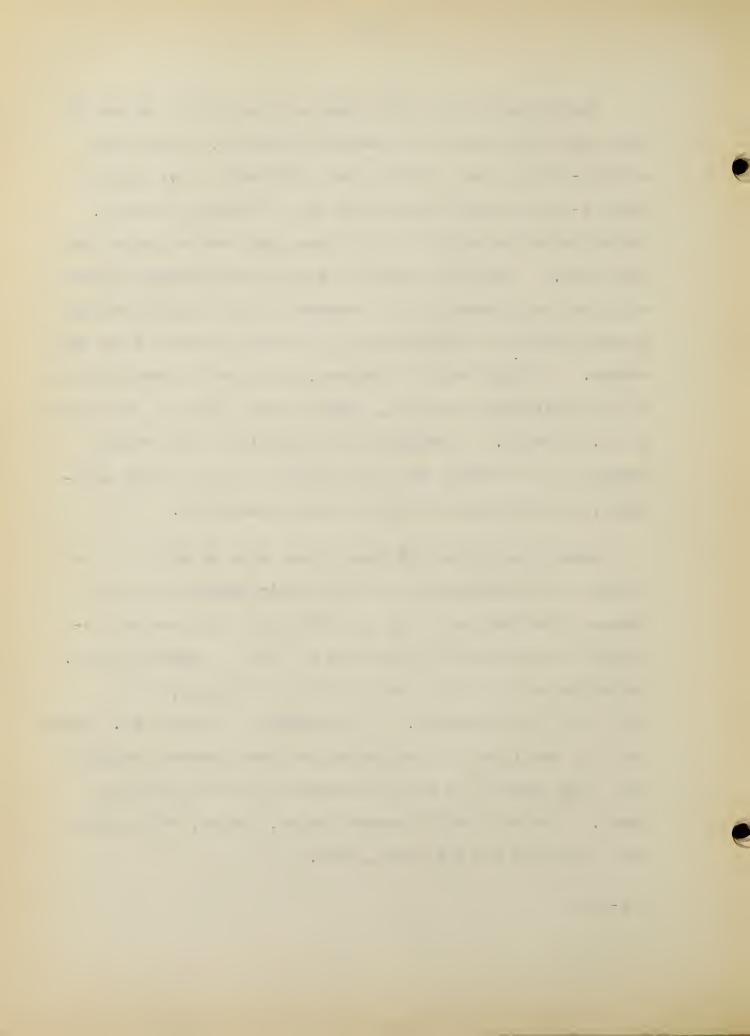
^{*} P-1-i, 425
** M-4-iii, 4

. P 4 A afforded them extra profit, and made them a privileged class. The farm labourers, as a class, as we have seen, were not benefitted by the Corn Laws; indeed, they were left in a worse condition because of them. In the battle with Free Trade, therefore, the Landlords, though the majority undoubtedly knew what the Corn Laws did to the farm labourers, nevertheless sent them for redress to the Parliament. Corn Law affording greater Protection", was their cry; then, with greater protection, the Landlord would have raised the rents to match the higher prices of grain. Also, since the Landlord blamed the low duties on corn, he also blamed the organization which fostered them -- the Anti-Corn-Law League, the name of which was anathema to him: So he set those farmers who sought redress from him to oppose the League, as the most effective remedy for their troubles. And, indeed, many farmers either respected the authority of their Lord, or did not know any better (though, it is true, some were reached and touched by the vigorous seven-year campaign of the Anti-Corn-Law League). In some cases, the Landlords formed Protection Societies, and in many cases forced their tenants and farm labourers to be present, to give the gatherings the same popular authority as the authentic and larger meetings of the League. So much for their activity outside the Parliament.



Inside that august body, the protagonists of Protection were Lord John Manners and Benjamin Disraeli, a dandified, society-loving, novel-writing Jew converted to the English Faith -- whose maiden speech had been a failure of sorts, but which had marked him as a future great man to those who could see. These two formed a party called "Young England", which was constructed of the members of Peel's party who had seceded during his treacherous Free Trade movements from 1842 onward. Though small in numbers, this party became the core of the resistance to repeal, probably due solely to the talent of Mr. Disraeli. They led the opposition to the famous budgets of Sir Robert Peel, and against all Free Trade movements, and attempted to aid the agriculturalists.

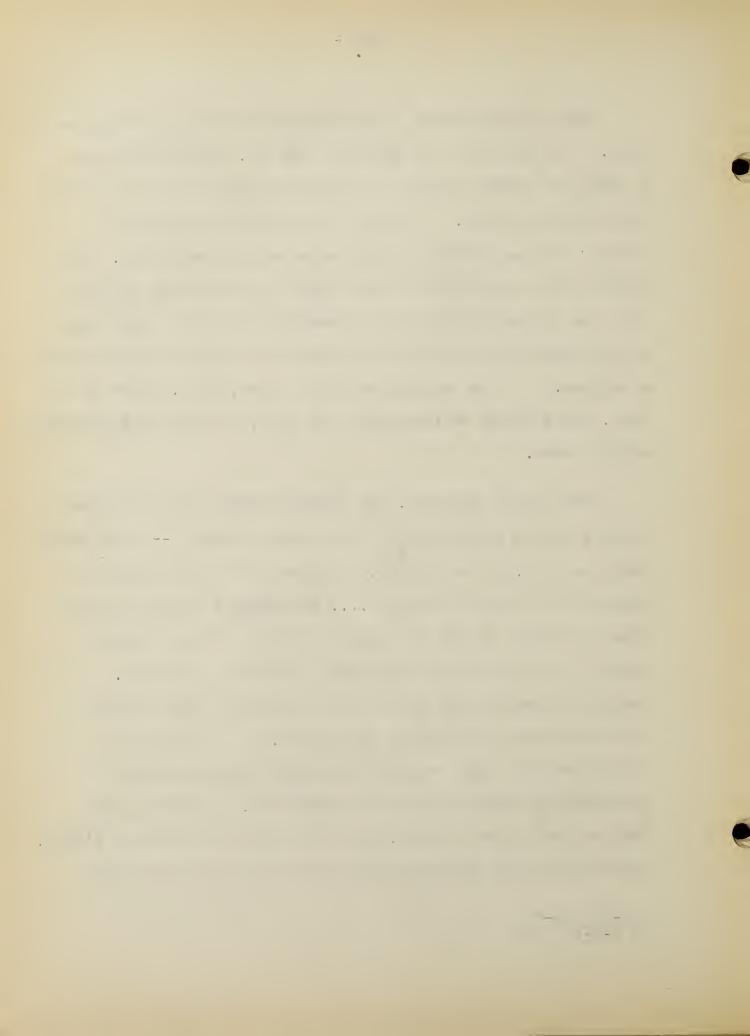
Toward the end of the great Free Trade campaign of the League, the Protectionists, seeing their majority in the Commons dwindling, and each year bringing forth new modifications or out-and-out abolitions of duties, became violent. Despairing of all aid, some reverted to savagery, thus admitting their weakness. For example, a certain Mr. Chowler arose in Parliament and denounced the Free Traders, saying that "the farmers had all the horses and would ride them down". He was tartly answered by Mr. Cobden, who replied that "they had all the asses, too".*



This violence seems to have extended to the hustings as well. At any rate, as early as June 18, 1845, Cobden, in a speech at London, urged the people to get out and vote, and be afraid of no one. He also urged them to object to illegal voting, of which there seems to have been much. He promised the protection of the League, specifically against the Duke of Buckingham, but in general against any other men of high positions who tried to prevent the voters from freedom of action.* The conclusion to be drawn, then, seems to be that, where actual violence was not used, corrupt electioneering methods were.

Iate in the campaign, the Protectionists looked for and found a second capable leader for their movement -- Lord George Bentinck, who, in the crisis, in spite of "intense personal distaste for public speaking ... displayed a mastery of the fiscal question in all its complex details which surprised members in all parts of the House (Commons)", while Mr. Benjamin Disraeli made up for what the older leader lacked "in fluency and pungency of invective".** And now the Protectionists, with the same shrewdness that has become proverbially connected with old Byzantium, and seeing that they too were soon to fall, had given ground, little by little, surrendering one stronghold after another only after being

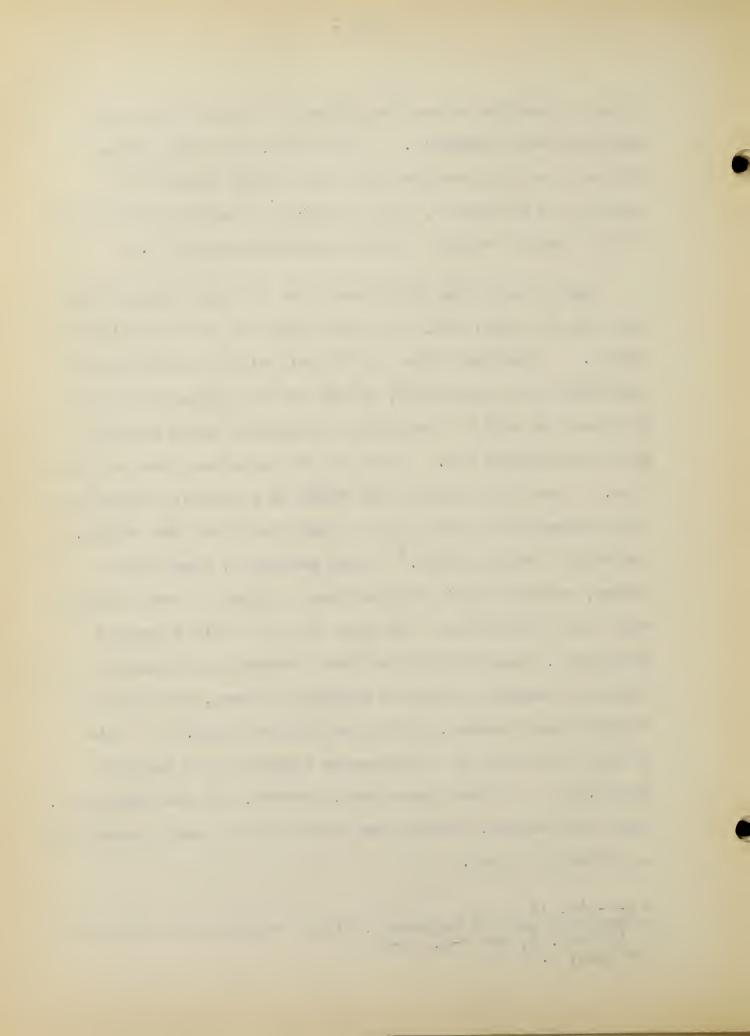
^{*} B-3, 154-6 ** M-3-11, 156



forced to realize beyond the shadow of a doubt that their positions were untenable. Now their backs were against the wall for the last time, and they fought bravely but futilely in the breach, led by Disraeli, a modern Constantine XI in suitably Oriental "motley couloured garments".*

Their courage was sufficient, but the Free Traders were too much for them, and, as we have seen the bill was finally Thereupon they lay in wait with a grudge against passed. the valiant Sir Robert and, on the eve of Stanley's failure to black the bill in the Lords, opposed his Irish Coercion Bill and defeated him. Even in the Lords they had not lost hope. Here Lord Stanley had drawn up a protest against the "Corn Importation Bill", as the Corn Law repeal was called, containing twelve counts. They predicted, among other things, violent market fluctuations; injury to farm laborers with less agriculture; low wages for all, with a general depression, especially in Ireland; lessening of country's revenue; lessening national strength at home, and severing colonial bonds abroad, ruining British shipping. ** This protest was signed by "eighty-nine spiritual and temporal peers". *** All was unavailing, however, and the Lords, too. passed the repeal, leaving the Protectionists small consolation in putting out Peel.

^{*} M-4-iii, 14
*** For full text of arguments, with a refutation by the author
in Chap.II, see R-1, 36-39
*** Idem, p.36



2. Immediate Reaction to the Repeal

The Protectionist Party was for a while stummed, but soon recovered and became angered at Peel's "treachery".

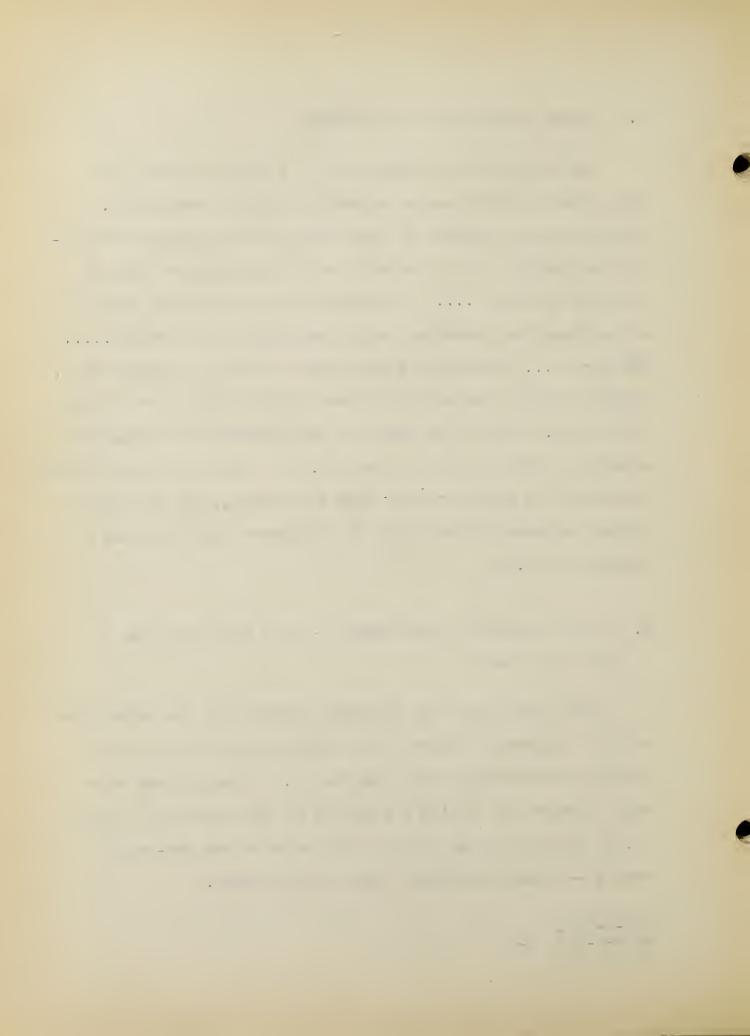
Speeches by the leaders at Lynn and Waltham expressed "wrathful indignation at the betrayal of the agriculturalists by the Peel ministry ... Disraeli at Lynn, went so far as to prophecy that reaction would lead speedily to repeal....

Bentinck ... at another agricultural centre, suggested that, failing repeal, the agriculturists should strive for a fixed duty of 8s., or, at the worst, a continuance of the present temporary duties under the new law."* The fact that Disraeli was roused to speak at this time is notable, says his biographer, because Disraeli was "a Parliament man", and not a public orator.**

3. Later Reaction to the Repeal -- as a Basis for the New Tory Party

After the first evil passions awakened by the repeal had cooled, the saner members of the Protectionist party felt somewhat differently about the repeal. Though some were still enraged and wanted a reversal of the decision -- that is, to turn the hands of the clock back to the pre-repeal period -- there were saner minds in the party.

^{*} M-4-111, 7 ** M-4-111, 4-5

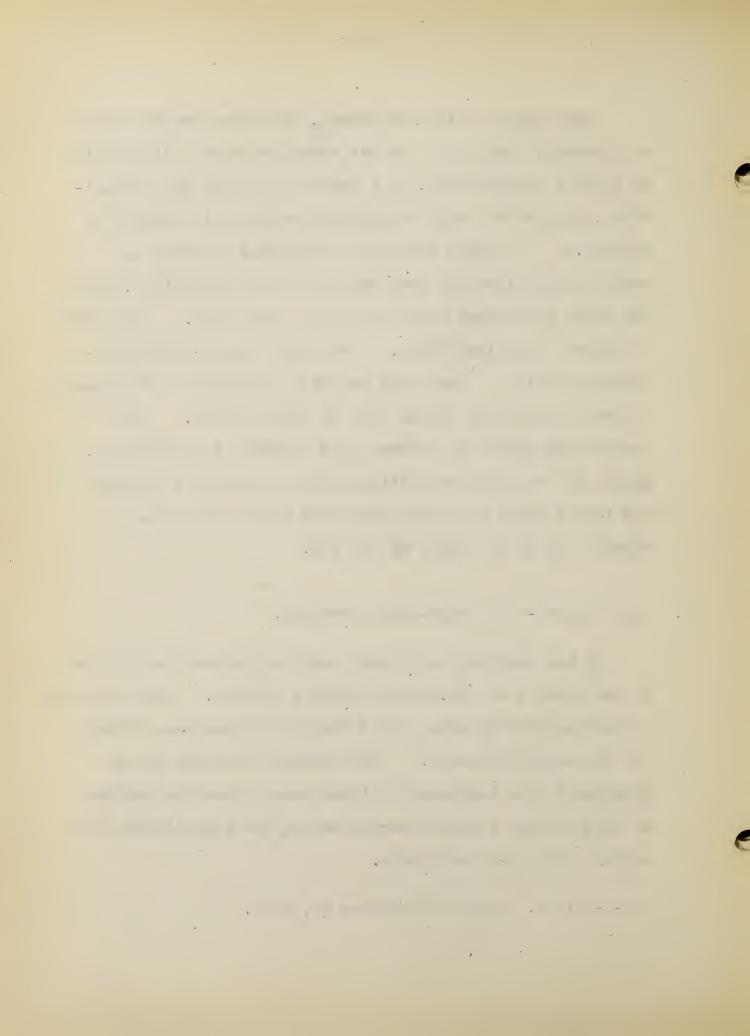


Three months after the repeal, Lord John Manners wrote to Disraeli, "methinks 'tis far wiser and more statesmanlike to fight a second battle on a fresh field with new dispositions, than on the old battleground strewn with symbols of defeat".* In other words, he considered it wiser to abandon Protection for some safer field of opposition, where the moral advantages would be on the other side. The reply of Disraeli is significant. He says, "you admirably expressed all that I feel, and on which, as far as I am concerned, I mean to act, when things fall to order a bit". The decision by these two leaders, and especially by Disraeli, meant that the name Protectionist would soon be a misnomer, and that a party with new principles was to rise like a Phoenix out of the ashes of the old.

C. Agriculture -- Its Post-Repeal Problem.

We now consider the farmer, who was indirectly affected by the removal of protection from his produce. This policy, it was supposed by some, would result in disastrous affects for the entire industry. The farmer's relation to the Government soon increased in importance, since the problem of farm relief, age-old, became one of the established principles of the new Tory party.

^{*} M-4-iii, 8. Written September 19, 1845.

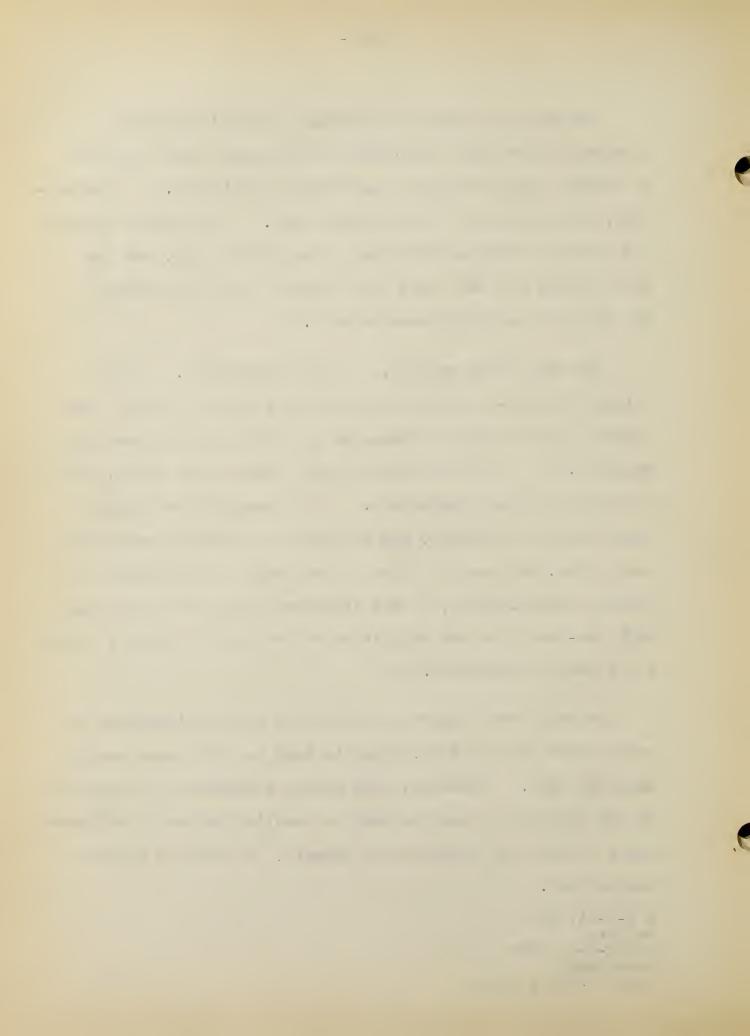


The Corn Law Repeal of 1846 had resulted in almost universal alarm among landowners and farmers, for "the ruin of British Agriculture was confidently predicted".* Furthermore, the harvest of 1846 had been poor. The potato disease had caused a universal failure of the potato crop, and the corn harvest was low; and even despite the large imports, the price of corn rose considerably.**

The Irish farm problem, too, was precarious. The failure of 1845-'6 was as nothing to the one of 1846-'7, when "people died by tens of thousands of starvation all over the country".*** The government relief measures as usual, were not only late, but inadequate. They consisted of public works and contributions, and were wholly unable to cope with the crisis, so that, in spite of the noble efforts made by British subscriptions, it was estimated that during 1846 and 1847 one-fourth of the population of Ireland perished by famine and attendant epidemics.****

In 1847, ***** imports of all kinds of corn increased to over double that of 1846, which in turn had been over double those of 1845. However, this amount exceeded the exigencies of the country, so that in 1848, a reaction followed, and there was a 45 per cent reduction of imports, in spite of another bad harvest.

% T-l-vi, 404
** Ibid
*** T-l-vi, 247
**** Idem
***** T-l-vi, 404-5



By 1849*, the fall in price expected by agriculturalists as the result of Free Trade began to appear. After this time, a considerable agricultural depression set in, thus substantiating the fears of those who had predicted that the Repeal would be fatal to the farmer. This depression continued through 1852, during which time wheat, in 1851, reached a minimum of 38s. 6d., and oats and barley, in 1850, also reached low records for the entire century. As a result, meat and dairy products also fell in price.

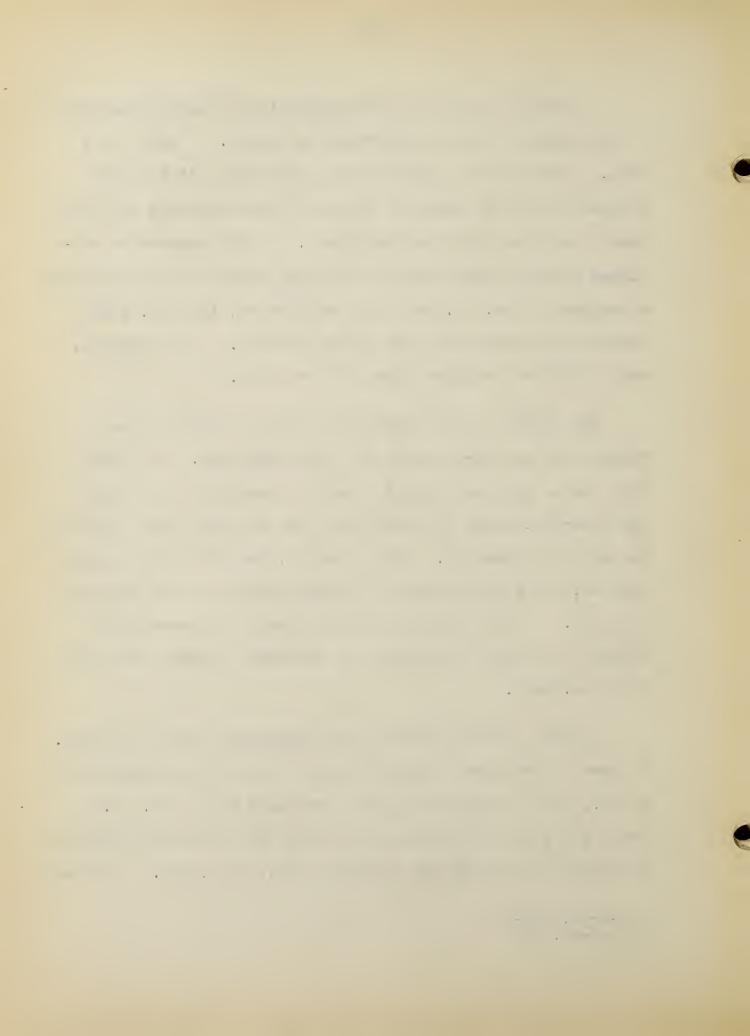
The result of this depression was an outcry of the farmers for new corn duties and rent reduction. The harsh Poor Law of 1834 had caused a smaller demand for corn from the laborers, since it aided them less and left them less able to buy this commodity. As a result, the price of corn was lowered, and was, as usual, followed tardily by the decrease in rents. This hurt the tenant farmers, who were then forced to threaten to reduce the labourers' wages, even from 6 or 7 s./week.

Indeed, the farm hand's wage presented a knotty problem.

In some Southern and Western Counties the pay averaged as low as 7s., while in Lancashire they averaged about 13s. 6d.**

To be sure, the misery caused by these was somewhat lightened by occasional allowances for beer, fuel, rent, etc. To keep

^{*} T-l-vi, 404-5 ** T-l-vi, 406

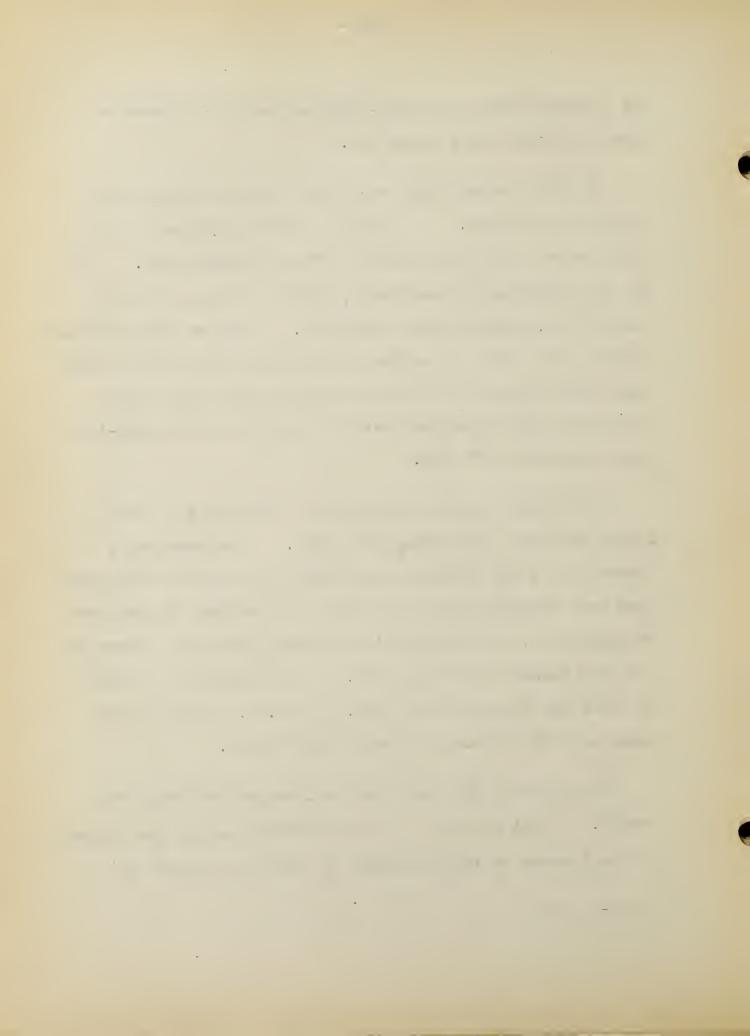


the laborers from collecting Poor Law rates, the tenantfarmers divided the surplus men.

In 1852, prices again rose, due partly to Californizn and Australian gold. A period of trade developed, which set in before 1853, and prices of farm products rose. It was the beginning of prosperity, which culminated in the Russian War, when food was essential. Farmers made fortunes; however, the rents, of course, rose in time also, and by 1858 there was a reaction, not only in Agriculture, but also in Trade, followed by another period of prosperity in 1860-'62, with high prices of corn.

In all this period, the farmer's troubles were real enough yet they might have been worse. Prothero says, "Miserably as the laborers were paid in the South of England, they were probably better off than they had been in the days of protection, as it was estimated that prices had fallen 30 per cent between 1840 and 1850".* For example, a "stone" of flour had dropped from 2s.6d., to 1s.8d., while tea and sugar were 50 per cent of their former price.

The farmer's real problem then, was not entirely the tariff. What was it? The trouble was partly the failure of the farmers to take advantage of improved methods of

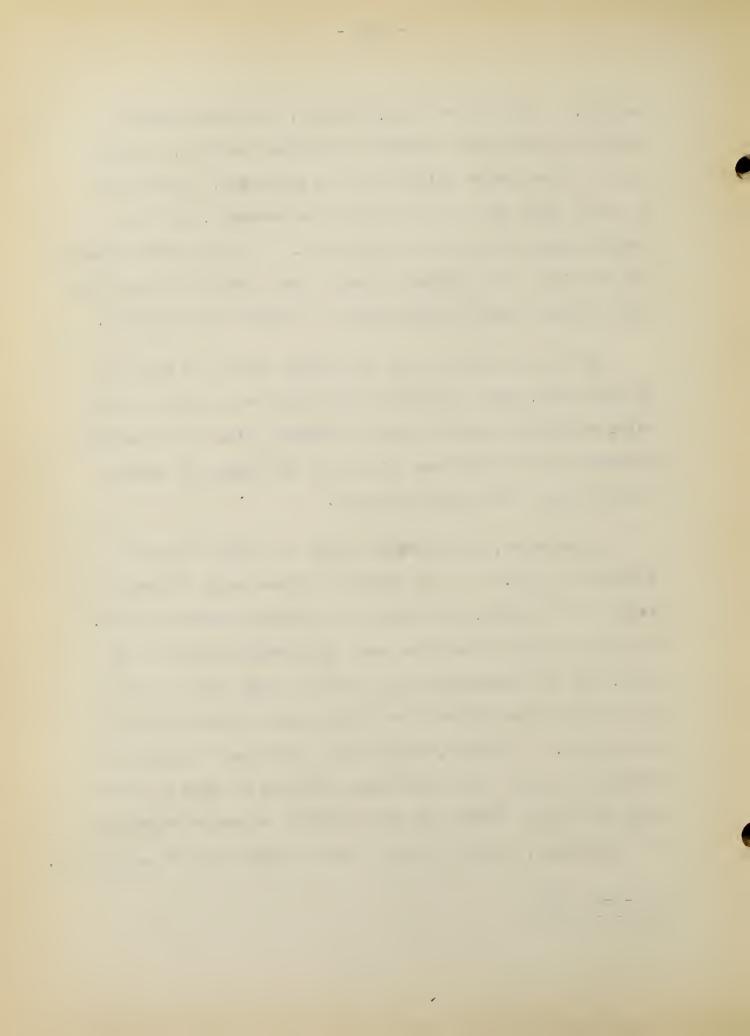


farming. Sir Robert Peel, in 1851, in James Caird's
"English Agriculture" blames Protection for this, stating
that on those farms whith natural advantages, "Protection
in their cases had not stimulated improvement, but had
probably been the parent of neglect".* This volume presents
the best and most copious evidence that this was so and that
many had been wholly indifferent to farming improvements.

The natural result was that while rents had gone up 100 per cent, wheat production had gone up 15 per cent and represented but slightly better farming, since the increase was partly due to the fact that after the Corn Law repeal, only the best land was cultivated.

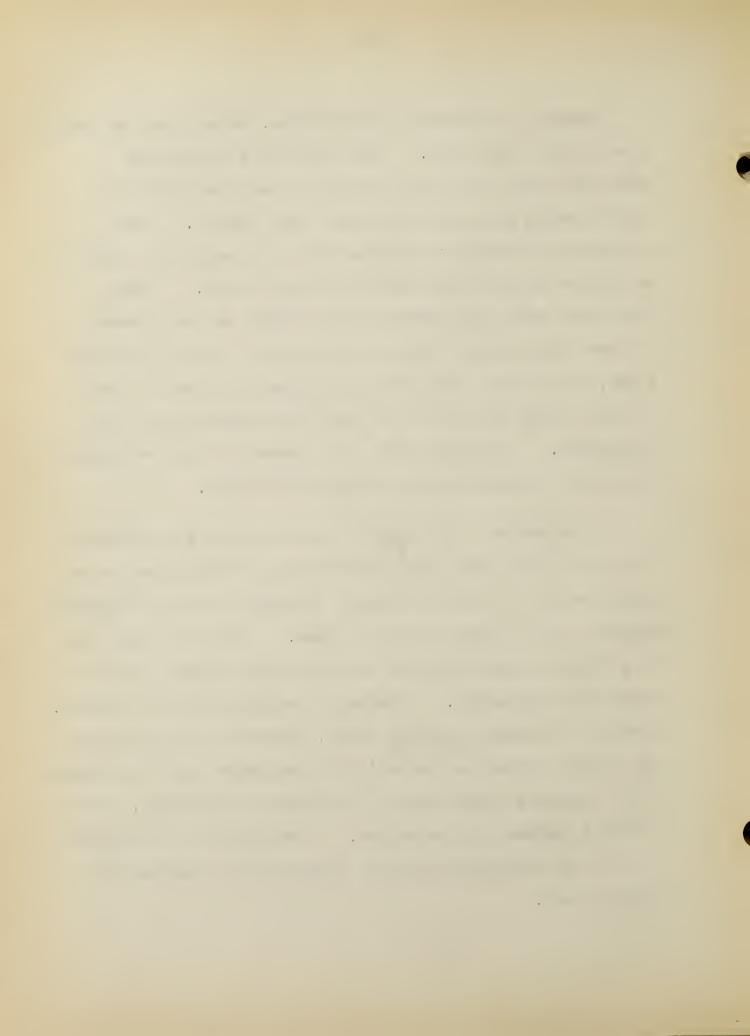
Furthermore, the farmers failed to raise the most lucrative crops.** For example, butter paid, whereas fat cattle sold poorly, and wheat was entirely unremunerative. For these reasons there was more pasturing carried on by some, and the growing of more feeding crops and less corn, as foreign competition in meat and dairy products was not so serious. However, many farmers were not farsighted enough for this; thus the poor condition of many of them must be laid to their own unwillingness to adapt themselves to conditions, or to an actual lack of knowledge of conditions.

^{*} T-1-vi, 407 ** T-1-vi, 408



However, in fairness to the farmer, we must lay the chief blame at the right door. The repeal had caused less demand for home corn, by introducing great quantities of cheap foreign corn, and prices had been lowered. Thus it became profitable to cultivate only the best land, and to let the marginal land lapse into inactivity. This came about when the landlord class refused to lower rents in farm land, and the tenant farmers were forced to pay less wages, which were already low, and force the farm labourers to other kinds of work, or to leave the agricultural field themselves. In either case, the poorer land was no longer cultivated, since it gave no investment return.

To summarize: the farmer's troubles were due directly to a lack of the more improved methods of farming, and to an ignorance of, or an unwillingness to face, the fact of changed markets, and to adapt himself to them. They were also due to a lessened demand for his products, which caused many to desert the profession. Instead of accepting the new change, however, he sought political cures, which were like those of the "quack" doctor, and even in the pre-Repeal days had brought only a spurious prosperity at the expense of the rest, or industrial portion, of the nation. Henceforth he would have to find the profitable lines of farming which remained and employ those.



D. Disraeli -- and the New Tory (or Conservative) Party.

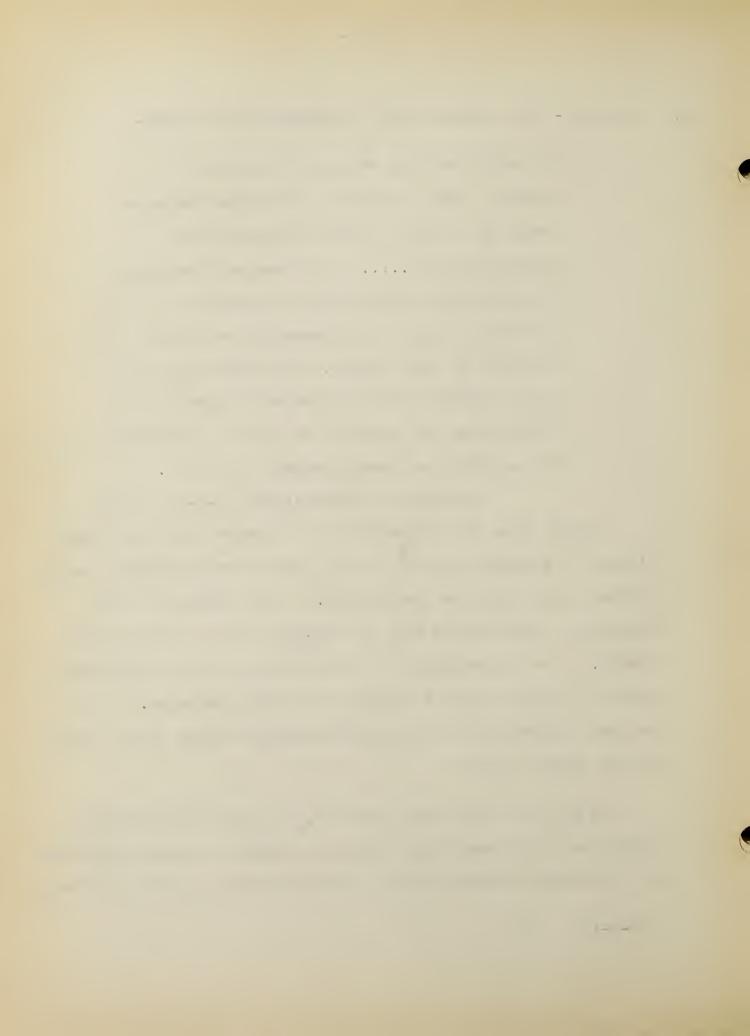
"I found the Tory Party in the House of Commons, when I acceded to its chief management, in a state of great depression and disorganization.... By a series of motions to relieve the Agricultural Interest by reviving and partially removing the local taxation in the country, I withdrew the Tory Party gradually from the hopeless question of Protection, and brought the state of parties in the House of Commons nearly to a tie".

(Disraeli's Recollections, M-4-iii, 196)

"Such", says his biographer of the above quotation, "was Disraeli's succinct account of his labours and successes during the early years of his leadership".* By Disraeli's own admission, then, he did what Sir Robert Peel had done in the 1840's. He had betrayed the Protectionist Party, which had trusted in him to gain a repeal of the 1846 decision. We can say, however, that he supplied certain things in its place, as will appear later.

In all this Post-Repeal period, the brilliant Disraeli appears as a shadowy figure flitting somewhere between policies of Protection and Free Trade, but never seeming to favor either

^{*} M-4-iii , 196.



very definitely. This was necessary for two reasons:

(1) The reaction, or Protectionist, elements in his own

party -- he must convince these of their folly in attempting

to retain Protection as a party policy; and (2) the Free

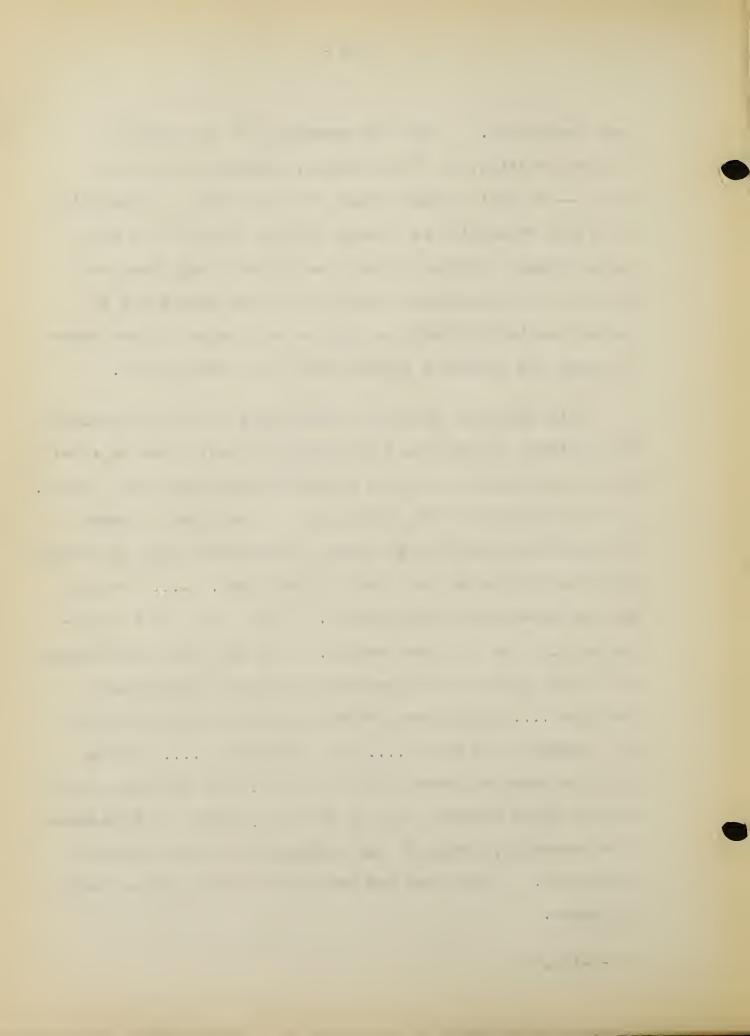
Trade element outside his party -- he must keep these very

certain of the essential belief of his new Tory party in

non-protectionist ideals so that he could work out his other

policies and produce a unified party on a fresh basis.

This ambiguous position, which was absolutely necessary if he wished to build up a following, is best shown by a few of his statements in various speeches during the early period. On the hustings in 1847, he stated, " I would not attempt factiously and forcibly to repeal the measure (Corn Law Repeal) which was passed in the course of last year. We must see the experiment fairly tried". This part was a sugarcoated pill for the Free Traders. He then described England as "in the position of a man who has made an improvident marriage nothing can divorce you except you can prove the charmer to be false the consequence will be that the House of Commons, after a full, fair and ample trial of this great measure, will be driven to repeal it from absolute necessity, though at the termination of much national suffering". This last was obviously for his Protectionist followers.



He was aided in the first few years by an actual lack of enthusiasm among the farming element for reform, due to high prices of corn. The ardent Protectionist members of his party could hardly demand a crusade toward which the agricultural interest was, as he himself described it, "apathetic", and unwilling to "exert themselves to increase the number of their supporters".*

At times Disraeli was pressed by circumstances to seem to favor protection, but he always avoided an actual declaration in its favor by a criticism of the results of Free Trade, or by the admonition to wait until it had had a proper trial. In the 1848 Parliament Cobden said* that Disraeli should give up Protection; for, he said, "you have no principle, it is a sham and a fudge", but Disraeli retorted in a later speech ** that the test had not yet come, and the Treasury was, as he described it. "bankrupt".

Disraeli was embarrassed sometimes by the Protectionist exertions of members of his party. Lord George Bentinck, his co-partner in the definee of Protection in 1846, carried a report in committee recommending a "differential duty of los. in favour of colonial sugar for 6 years", and also compelled the government to introduce and pass this principle

^{*} M-4-iii, 26-27
*** M-4-iii, 95. Feb. 18
*** Idem, Feb. 28

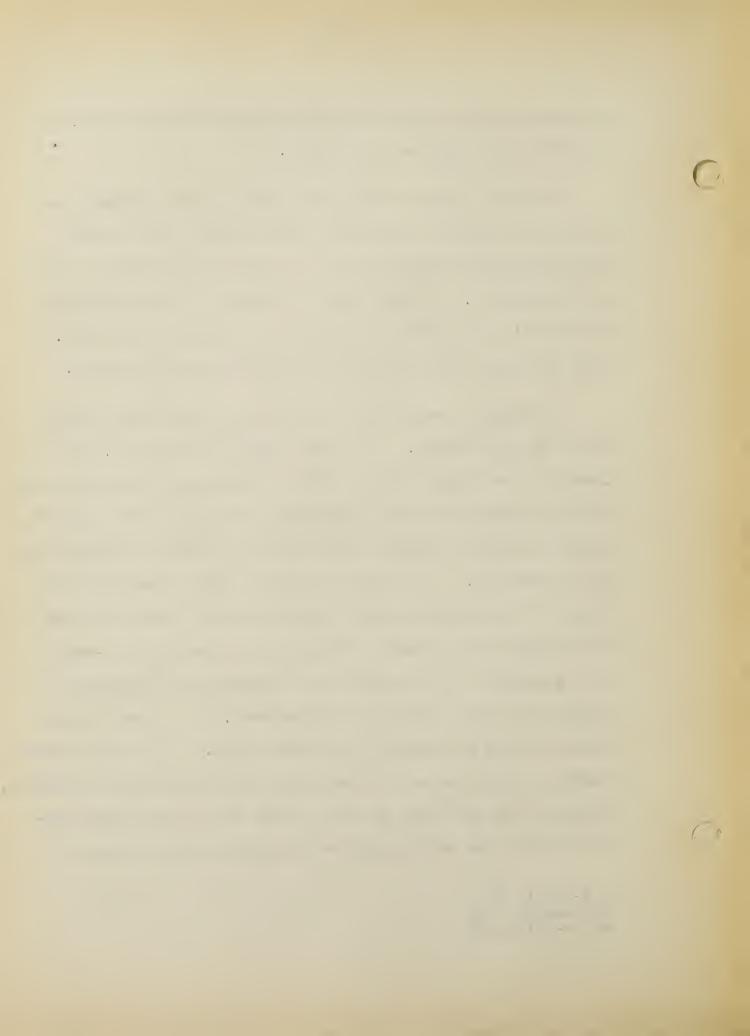


by establishing a gradually diminishing difference in the favour of the colonies till 1854".*

However, Disraeli rose above many of his difficulties due to his careful leadership, and by March 1849, became the unquestioned leader of the so-called Protectionist party in the Commons. He was now the leader of the Opposition, the position he was to hold most of the rest of his life. Thus he became the author of all authentic party policy.

He began to establish his now Tory policy along lines which he had desired. In the Commons, on March 6, in a speech **. he stated that he wished to see all classes prosper, while on the other hand, the Manchester school held that if England should become the workshop of the world, therein lay her prosperity. Four days later he made a speech in the Commons, in which he called himself a "Free Trader" in the 1842 Budget sense, "not a 'freebooter' like the Anti-Corn-Law Leaguers"; and declared for "principles of regulated competition and reciprocal intercourse". *** Here is evidence that he was taking a different line. The Free Traders could not say that he was declaring for out-and-out protection, while at the same time he said things which would have convinced even the most ardent Protectionist that he would

[%] M-4-iii, 92
%* M-4-iii, 200
*** M-4-iii, 96



undoubtedly favor reforms along their lines, or at least that he disagreed seriously with Free Trade.

In the meantime, he was trying to convert the rest of his fold to a recognition of Free Trade, especially the few leaders who hung back from accepting his ideas of what the Tory party should be. The agricultural trouble was beginning to show, and Disraeli soon was to incorporate those principles which he was convinced would result in a fresh basis for the existence of his party, somewhat, if not altogether, divorced from the ideals of Protection which had proved their stumbling Meanwhile, he was trying to get his pupils to unlearn block. their Protectionist lesson, so that he could teach them some-That Lord George Bentinck and Lord Stanley were refractory students merely made the teaching more difficult; but the time was to come when those who had accepted Disraeli as Party leader would be also ready to accept his dictum of party policy, especially if he were to be backed by the entire Free Trade Opposition in the House. It is obvious, however, that he could not seem to use the Opposition, but only to be guided by its adverse opinion, so as to be able to determine the stand which would be best for his party to defend.

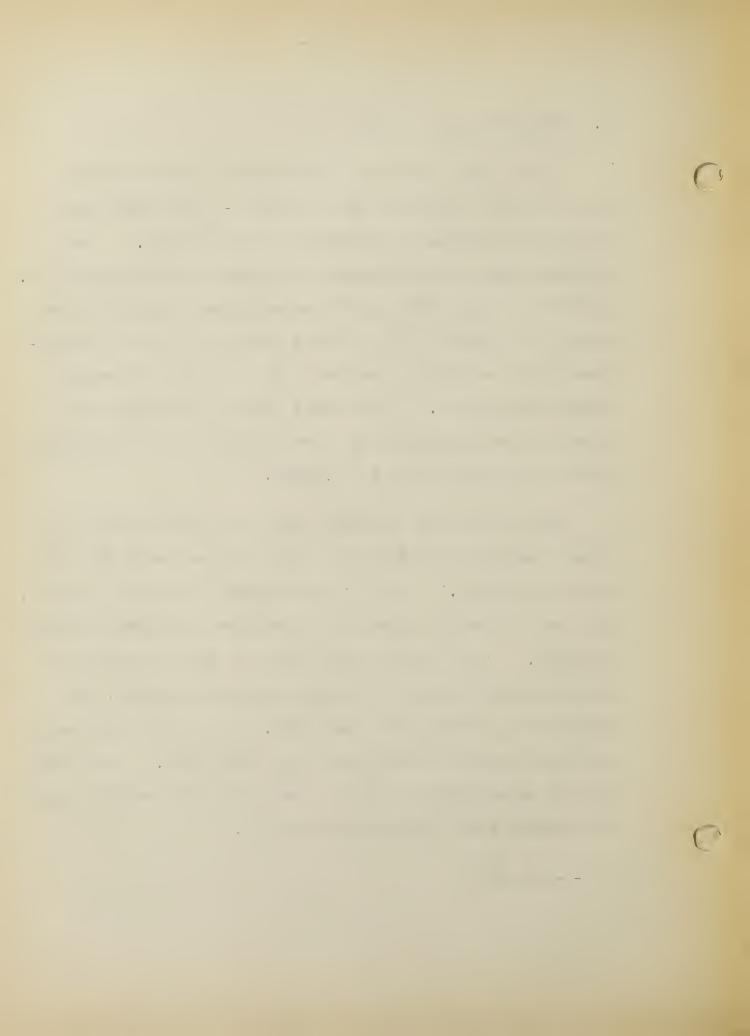


2. Navigation Acts - 1849.

It has been stated that the Corn Law Repeal did not mean true Free Trade for Great Britain -- that there were many o ther barriers of protection to be overcome. One important barrier to freedom of trade was the Navigation Law. To fill out the already partly accomplished program of Free Trade, the repeal of this law was necessary, since it interfered with the carrying nations, in the matter of freight rates particularly. Sir Robert Peel had intended the repeal of the Navigation Law also in 1846, it will be remembered, but he was put out of office.

The difficulties attendant upon the repeal of this Act became immediately apparent on the introduction of the bill into the Commons. The bill was opposed on several grounds, but the Tory Party offered its opposition on national considerations. The argument they used was that the repeal of this act would reduce the English carrying business, and perhaps even cripple the Royal Navy.* On the latter basis particularly did Disraeli enter into the lists. So strong was the opposition to the bill that the second reading passed the Commons with only a majority of 56.

^{*} M-4-111. 203



The third reading came up April 23. Disraeli opposed the motions of the speakers, who advanced here a general idea of "progress" which must be satisfied. He asked the House to vote against the bill, which, he said, had been introduced by "that great statistical conspiracy which has so long tampered with the resources and trifled with the fortunes of a great country.* The Opposition fought hard, but lost, the bill passing the Commons, 275-214 (61 majority only).

Many "Free Trader" Peelites had gone against their free trade principles and voted against the measure. Gladstone is one of the best examples of this. Disraeli himself seems to have opposed the bill because, among other reasons, of the feeling which he had earlier expressed in a letter to Lord Stanley. He said, ** "The office of leader of the Conservative party in the House of Commons, at the present day, is to uphold the aristocratic sentiment of this country. That is the only question at stake, however may be the forms it assumes in public discussion".

We may assume that Disraeli, if he was sincere in this statement, pretended to represent the "aristocratic sentiment" of England in his opposition to the bill. He was more than justified, if the battle in the Lords could be considered any

^{*} M-4-iii, 203-205
** M-4-iii, 125



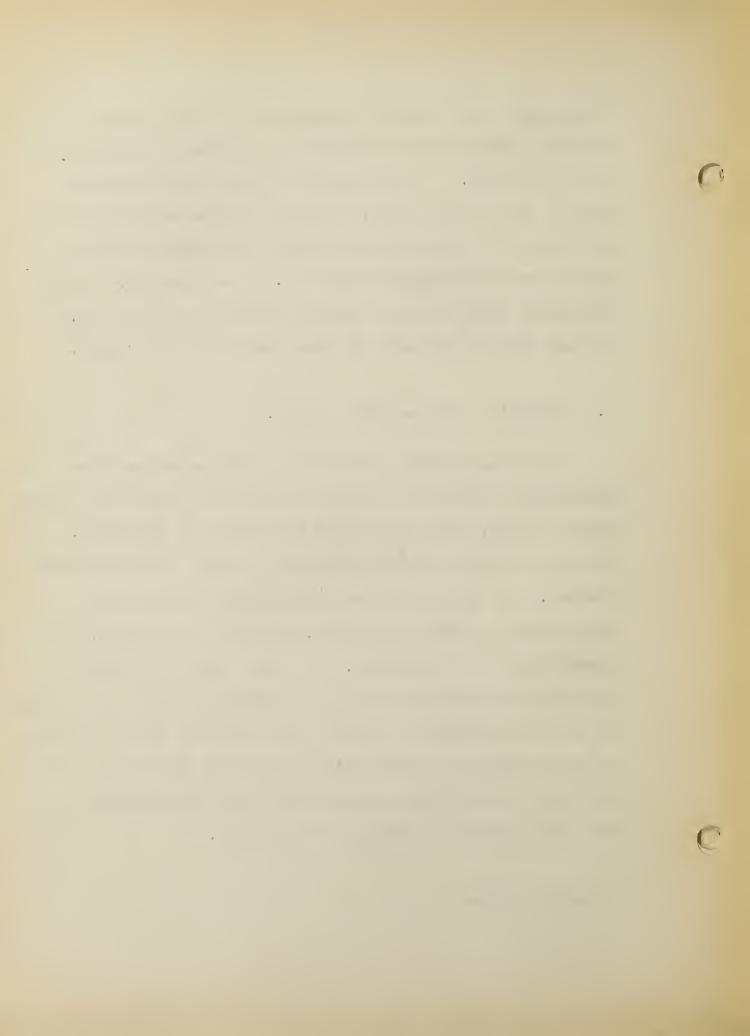
indication; and I think it should, for who in all the country expresses the "aristocratic sentiment" better than that very House. The opponents of the Corn Importation Bill of 1846 in the Lords, Stanley, Brougham and Lyndhurst, and others who had even favored Corn Law Repeal, spoke eloquently and voted against the bill. As a result, it just managed to pass, with the inconsiderable majority of 10.*

Another link in the chain of Free Trade had been forged.

3. Protection and the Farm Problem.

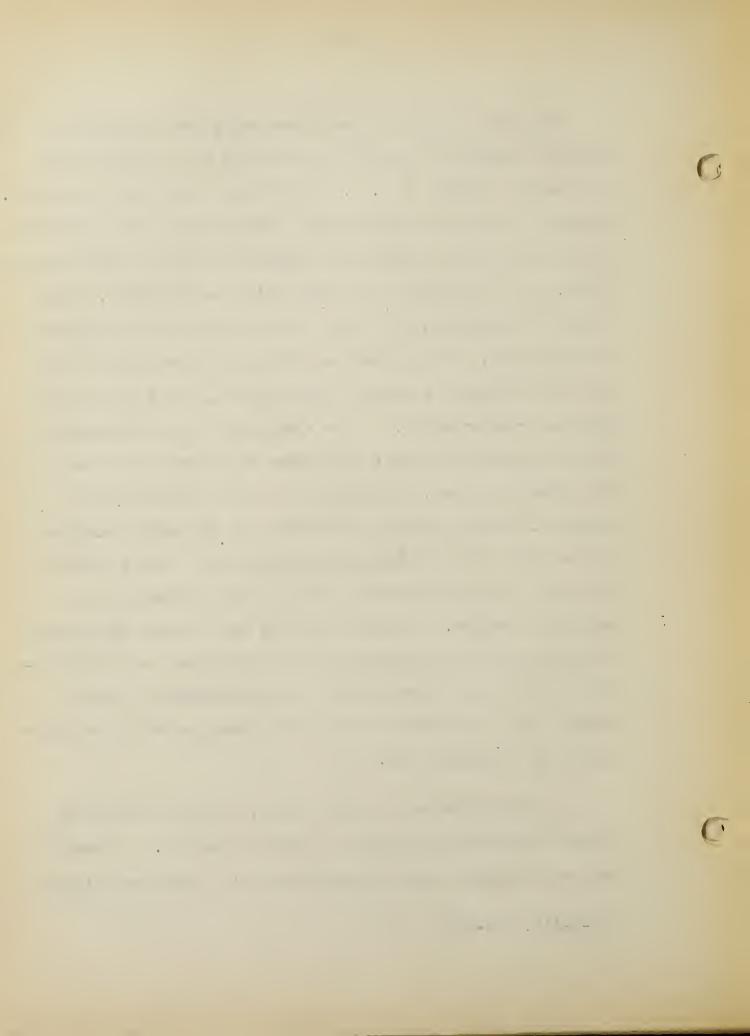
Since the original Corn Law had been to assist the agricultural interest, it was inevitable that when hard times should return, the farmer would want back his privilege. In 1849, in Ireland, vigorous movements in this direction were started. At this time Disraeli had given up all hope of Protection, at least in England, although, to be sure, he agreed with it in principle. It was only that he was unwilling to commit his party to a hopeless issue; and perhaps in this we can detect a higher loyalty to his party than that of short-sighted statesmen like Bentinck or Stanley who would have led the Tory party to utter and unmitigated defeat on the then unpopular platform of Protection.

^{*} M-4-iii, 203-'6



Disraeli's point of view concerning the Agricultural Interest expresses this idea excellently in a communication of October 9, 1849, to G. F. Young of the "Protection Society". He says, "Unless the Agricultural Constituencies are prevented from running amuck against the financial system of this country, which, out of suffering and sheer spite and vexation, it is natural they should, it is all over with England as a great free monarchy; it must become not only in its imitation of the United States, a second rate republic, but a second rate manufacturing republic. The agricultural constituencies, therefore, must be taught that there is no hope for them in the repeal of taxes, and that in a juster distribution of property, and in a gradual diminution of the great burthens of the State, by a sinking fund, supplied by import duties, they may obtain considerable, and lay the foundation for sufficient relief. In this manner, the country party might be constructed on two great popular principles -- the diminution of the public burthens and the maintenance of public credit; and its interests would be associated with the principles of the community". *

In furtherance of his principles, Disraeli formed the "Bucks Association for Relief of Real Property". Stanley was greatly upset when he heard Disraeli's plan and objected



to "throwing upon the community at large a great portion of the burdens now borne by real property", which would mean an increase of five or six millions in direct or in indirect taxation.* The result was that Disraeli met Stanley half-way. He avowed himself willing to adhere to a general policy of protection to agriculture, aided by a sinking fund provided by import duties.

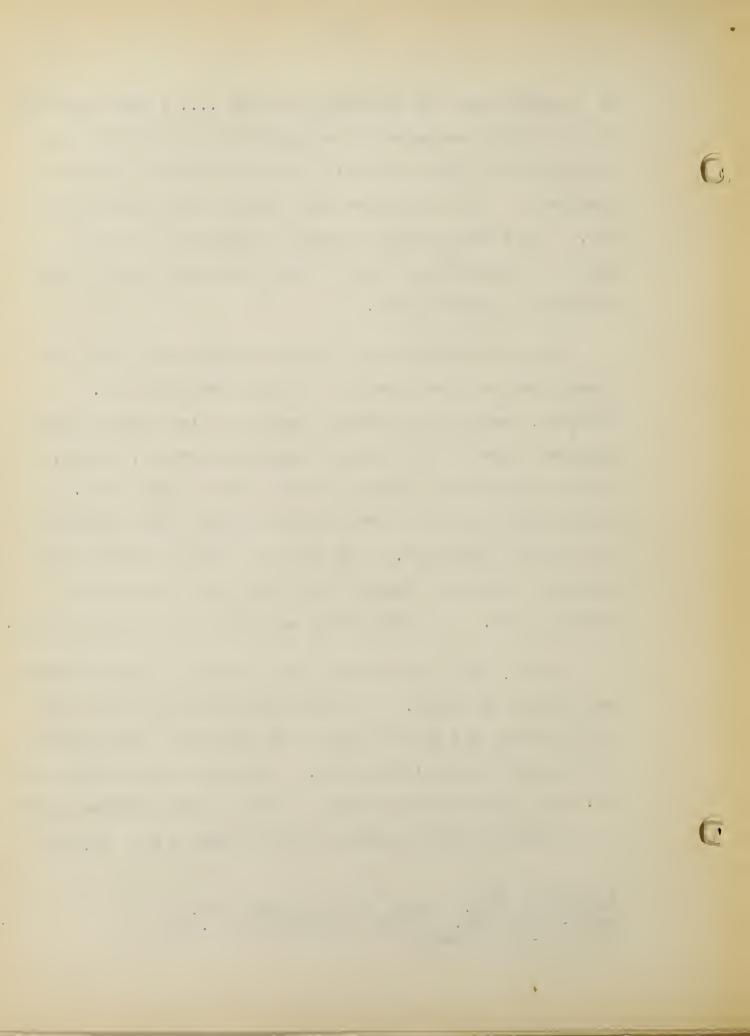
The main difficulty in any such movement was that the farmer mind was inert, even as late as November, 1849.

Disraeli, who had made several speeches in the farming areas, described them as "puzzled and sluggish, perhaps", adding, "When they are more pinched they may bestir themselves".**

Stanley did not think it was economic causes which deadened the farmers' interests. He wrote** that he believed the farmers' morale was broken -- that they felt they had been "thrown over". Probably there was something in what he said.

By this time Disraeli felt that he had the country pretty well within his grasp. At any rate, he wrote to his very close friend, Sir Philip Rose, "I am glad that I have myself not advanced to conciliate them. The next move is mine, and if I play with tact and temper, I have not the slightest doubt I shall get the whole country behind me when I want it.***

^{*} M-4-iii, 224
** M-4-iii, 226. Letter to his sister, Nov. 4
*** M-4-iii, 230. Letter to Disraeli, Nov. 13
*** M-4-iii, 232-233

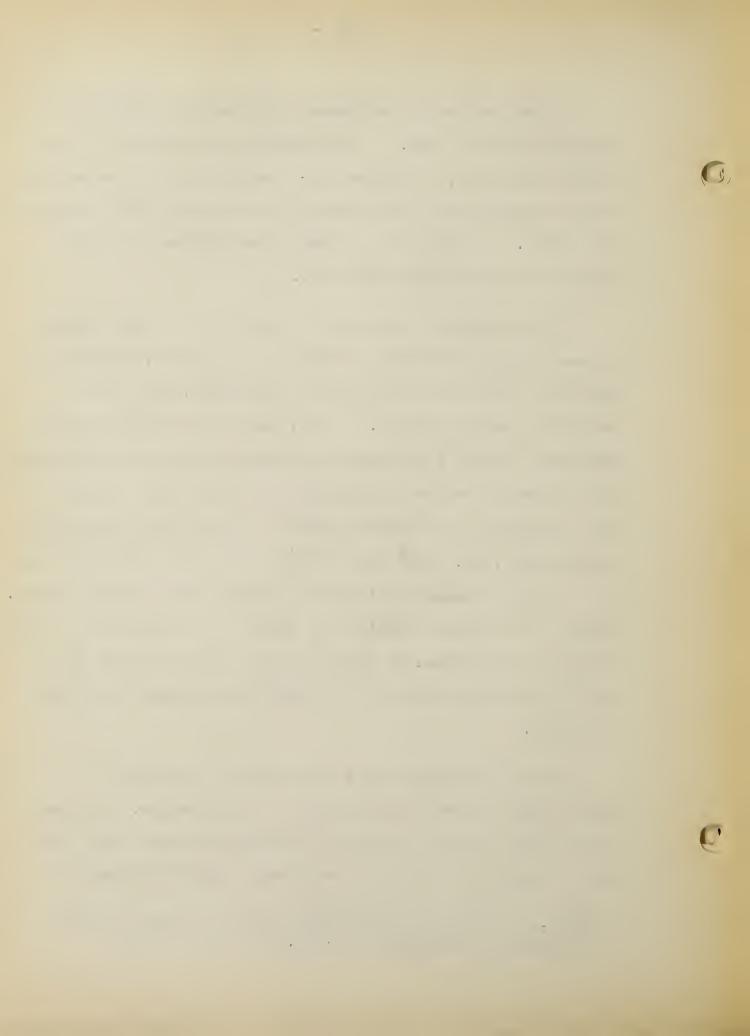


He was favored by considerable agricultural distress by the early part of 1850. The farmers were not well off, as we have seen, and, to further bear out this point, the speeches of Free Traders met some dissentients concerning the prosperity of farming.* Later in the month, the distress was acute, and caused considerable agitation.

In the Commons, Villiers, the great Free Trader, chosen to speak on agricultural distress in the Commons, admitted its existence, but say no help for the condition, and moved a resolution to that effect. Trollope (Sir Anthony) made an amendment blaming the distress on recent legislation and heavy local taxation, and was supported by Disraeli, who did not want the return of "abrogated laws", but believed land was a raw material, so, according to Free Trade principles, why tax it? Russell stated that he did not know what Disraeli meant. Cobden then cleverly shifted the debate to a discussion of Free Trade and Protection, at which he had no peer in that House, and the Government cleared a 119 majority against Trollope's amendment.

Disraeli now advanced a petition for the relief of agricultural distress by revision of the Poor Law. He now claimed that he and his friends believed in Protection, but did not wish to disturb the Free Trade settlement against a

^{*} See B-3, Speeches on Free Trade, XXV for Cobden's speech at Aylesbury of January 9, 1850.



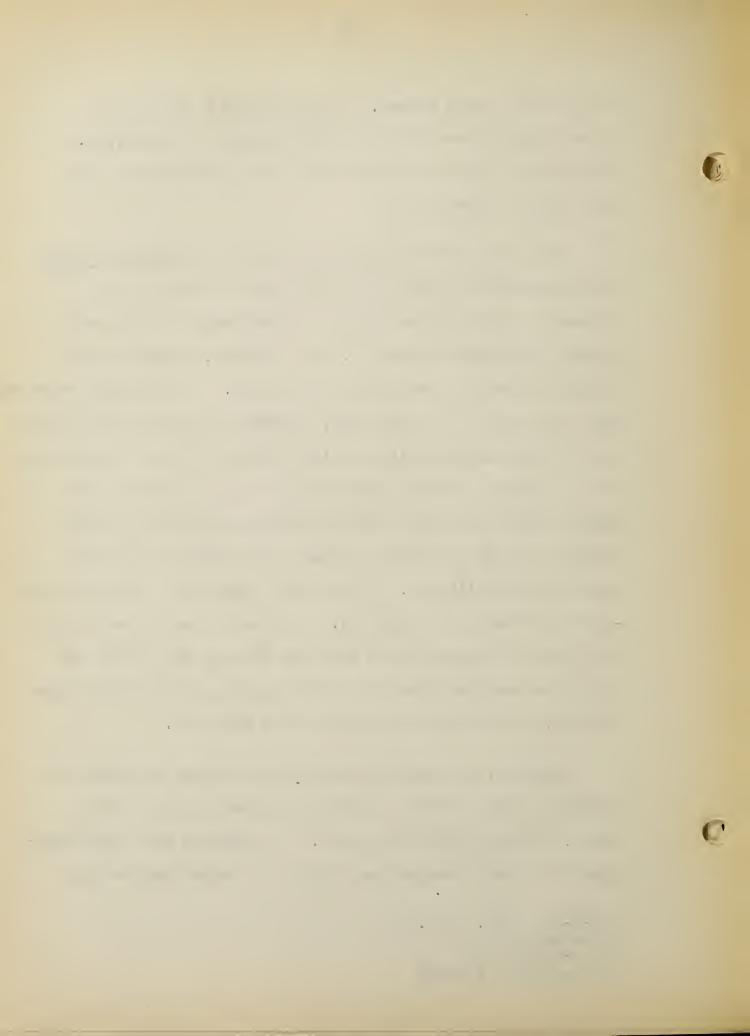
large body of both Houses. He proposed a project to relieve agriculture from Poor Iaw charges of #2,000,000.*

Previous to this, he had declared that "Protection is not only dead but dammed".**

the restoration of Protection, has been declared by him
(Disraeli) utterly hopeless and impracticable during the
present Parliament at least".*** Graham, however, felt
Disraeli's proposal a reversal of policy. The Tories received
help from some of the Peelites, however, Gladstone saying that
the Parliament should look to the merits of this proposal and
not of others; and that he believed that the adoption of
Disraeli's motion would "tend to weaken agitation for protection," since it would show that just demands would be
conceded by Parliament. Peel made a complaint that more than
£2,000,000 might be necessary. Disraeli summed up the case
in a masterful manner, and when the measure was put to the
vote, the Government had but a 21 majority,*** and even then
Herbert, a follower of Gladstone, was away ill.

Disraeli, who had had hard work to reduce the above 21 majority, fell ill with influenza and was out for over a month, returning early in April. A measure was then introduced for land compensation by rates or taxes advised by

[%] M-4-iii, 243. Jan. 31
%* M-4-iii, 241
*** M-4-iii, 244
**** M-4-iii, 244-245

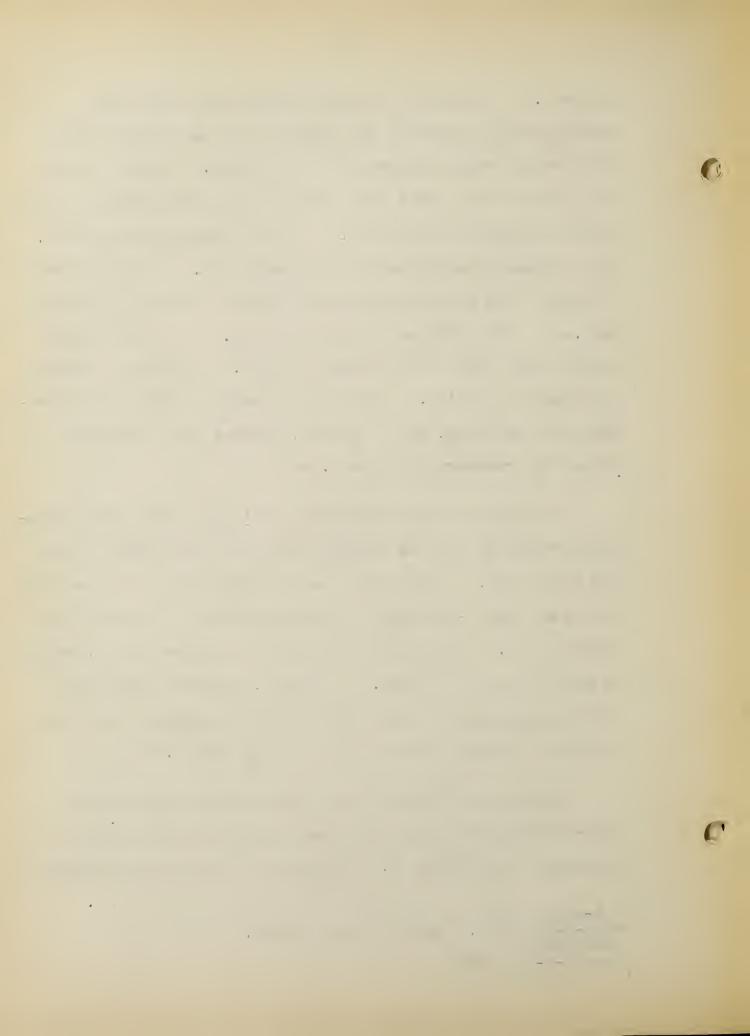


Disraeli. On April 11, when the vote was taken, the
Government only defeated the measure by a 13 majority (263250)* which showed progress for the Tories. Indeed, from
this time on the Tories were able to beat the Government often,
but had internal differences. In the Budget particularly,
the Government was defeated on a Stamp Bill. Disraeli wrote,
"I hardly know what the Government will do -- anything but go
out".** The Government did not go out. It surrendered
rather than submit to a crushing defeat. However, Disraeli
was afraid of office. He wrote on May 3, "They (the Government) are drifting, but I suppose, perhaps hope, they may
escape the breakers this year".***

In May of that year, members of his own Tory Party introduced proposals for the reimpositions of a Corn import duty and a malt tax. He did not lead in the debates, for he felt they must fail -- as they did, by majorities of 114 and 124 respectively. He did not vote for the former at all, saying it was partial to a class. In July, Disraeli advocated a drop in excise if any must come -- not in duties -- for the foreigner certainly paid no part of the excise.***

However, by October of this year he knew the game of hide-and-seek with protection was up, and told his party colleagues so definitely. He had, as I have stated before,

^{*} M-4-iii, 300
** M-4-iii, 249. Letter to his sister.
*** 1dem
**** M-4-iii, 252



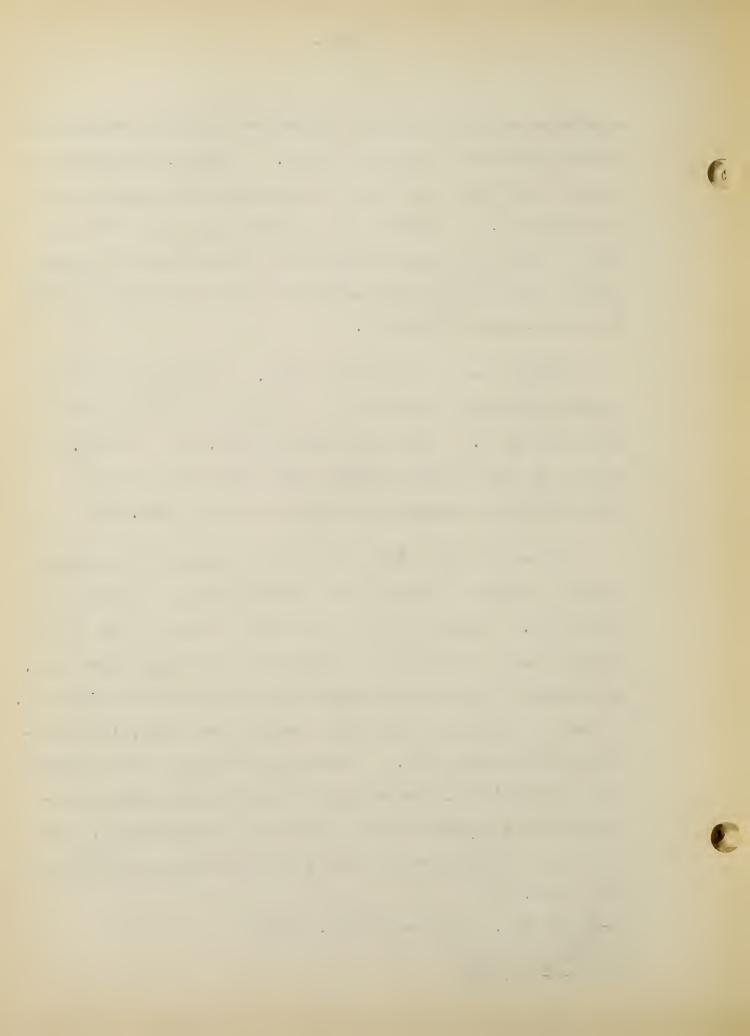
state his position to his own party. Indeed, the queen and Consort both felt that "the country should know exactly what was intended".* Disraeli's biographer says here with good reason, "Both the Court and Disraeli had realized the fundamental difficulty of the Conservatives and the need of dealing with it in drastic fashion".

Disraeli was now in difficulties. He wanted to give up protection as a party policy but Stanley (Derby) would have none of it. The latter wanted a 6s. duty on corn.**

Due to the disagreement between them, they could form no government when requested to, February 25-27, 1851.***

Disraeli did not want to go to the country as a Protectionist, though at the same time he was against a permanent income tax. Derby, on the other hand, wanted to "go to the country" on the principle of Protection, advising a corn duty. As a result, Gladstone and many of the Peelites were alienated. It must be admitted, then, that Disraeli was right, in believing Protection was lost. He said, in September and October, 1851, respectively, "Protection to a particular class, irrespective of all other classes, is out of the question", and "All other classes are announcing that they are profiting" by Free Trade.****

^{*}M-4-iii, 287. This was in Feb., 1851
** Idem
*** M-4-iii, 290-'4
**** M-4-iii, 310



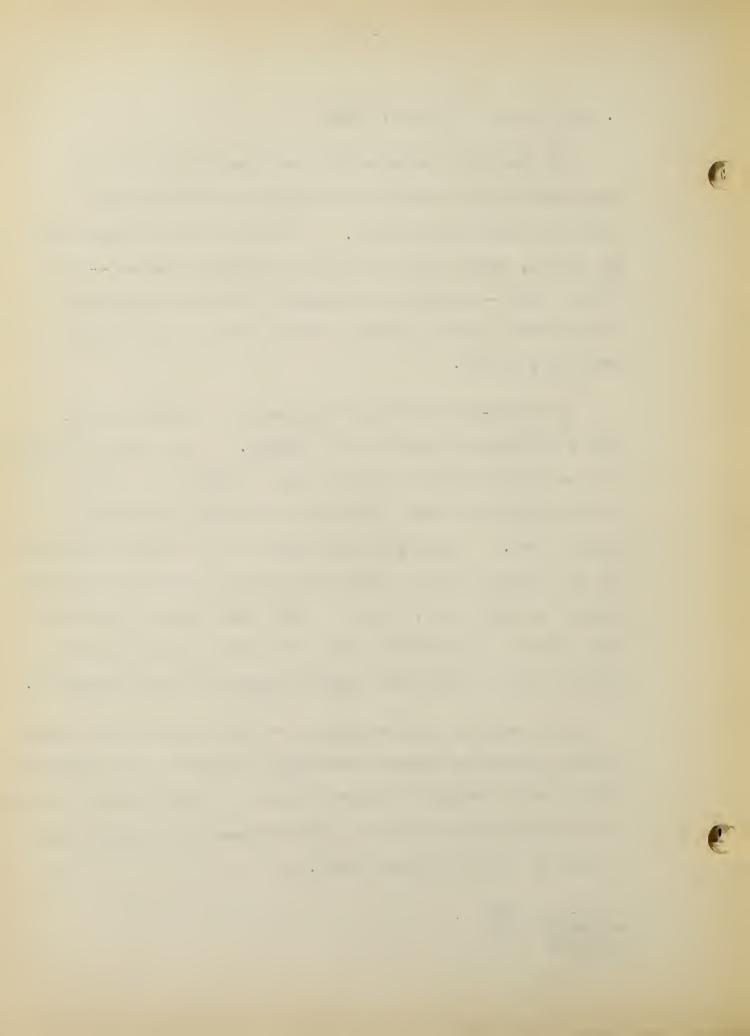
4. Tory Party in Office, 1852

The year 1852 opened with a government crisis in the Whig Party due to Palmerston's unauthorized independent action in the foreign office. Palmerston was released from his office, but on the very first Government measure -- the Militia Bill -- he moved an amendment, "defeating them by the militia, when the regular troops failed", as Disraeli humorously put it.

The Derby-Disraeli-Tory Government now assumed power, with a minority in the House of Commons. They were in office only because the Whigs could not hold together, so they had to be afraid that the Free Traders of all colors would unite against them. Palmerston would have been a distinct addition, but he would not join a Protection cabinet, though he had voted against the Corn Laws, since he, like many others, considered them settled; so Disraeli, who would have accepted a minor position under Palmerston, became Chancellor of the Exchequer.

What would the new government do about Protection? Derby stated a policy of general protection, similar to the American, adding that "corn should be no exception to the rule of imposing duties on foreign imports" ***, which Disraeli considered "Protection in its most odious form". ***

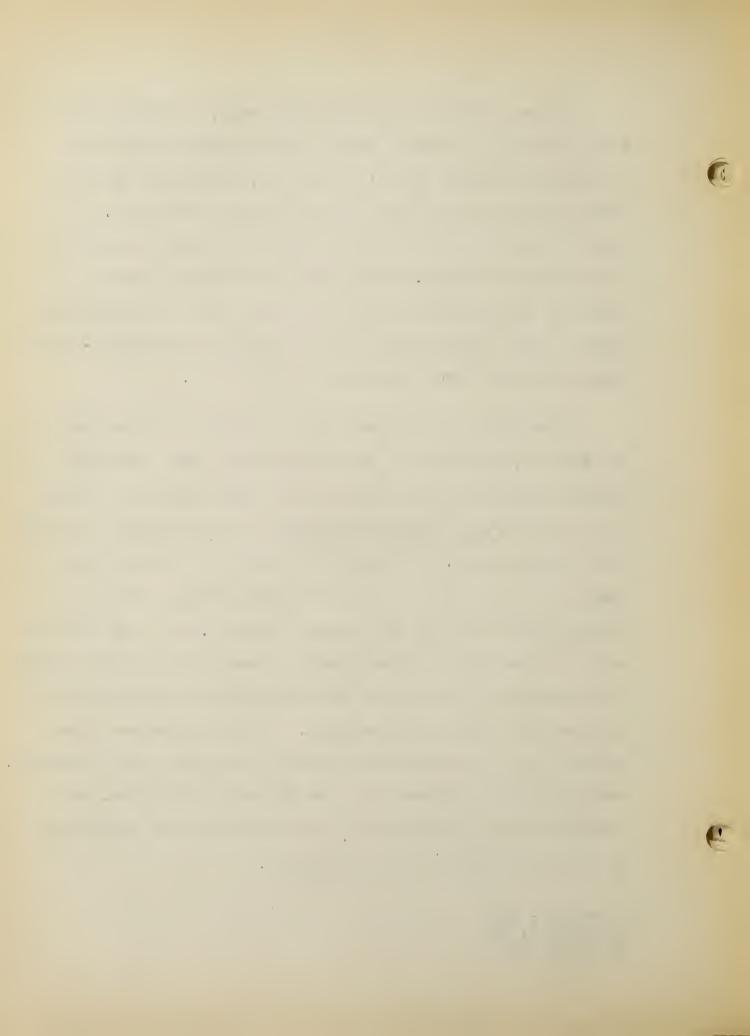
[%] M-4-iii, 342
%% M-4-iii, 351
%% Idem



The new Government won the first move, a Militia Bill; and on March 12, Disraeli made a vague speech to make up for Derby's indiscretions in the Lords, without at the same time antagonizing the Protectionists of his own party. He laid the emphasis on the "readjustment of public burdens" in the interests of agriculture, and on aid for the three interests injured by the 1846-'49 legislation -- namely, the agricultural, the colonial, and the shipping interests -- and thus broadened the party program and following.

He won his point, apparently, for Derby, in a message to Disraeli, said that he had informed the queen that they would retain the income tax so as to "keep something in hand to go upon, if, as appeared probable, we could derive no income Disraeli himself, in stating the from foreign corn". ** Budget Policy, said that "to retain the (income) tax for a limited period was the only prudent course". *** He declared for no reduction of indirect taxes, as well, so that his Budget was practically the same as the year before -- and the Opposition and the Free Traders exulted. Agriculture was disappointed, for the farmers had expected aid other than protection. Derby, however, declared for some protection measures, and immediately the Free Traders got their revenge by defeating an electoral reform by an 86 majority.

^{*} M-4-iii, 352
** M-4-iii, 360
*** Idem, 363



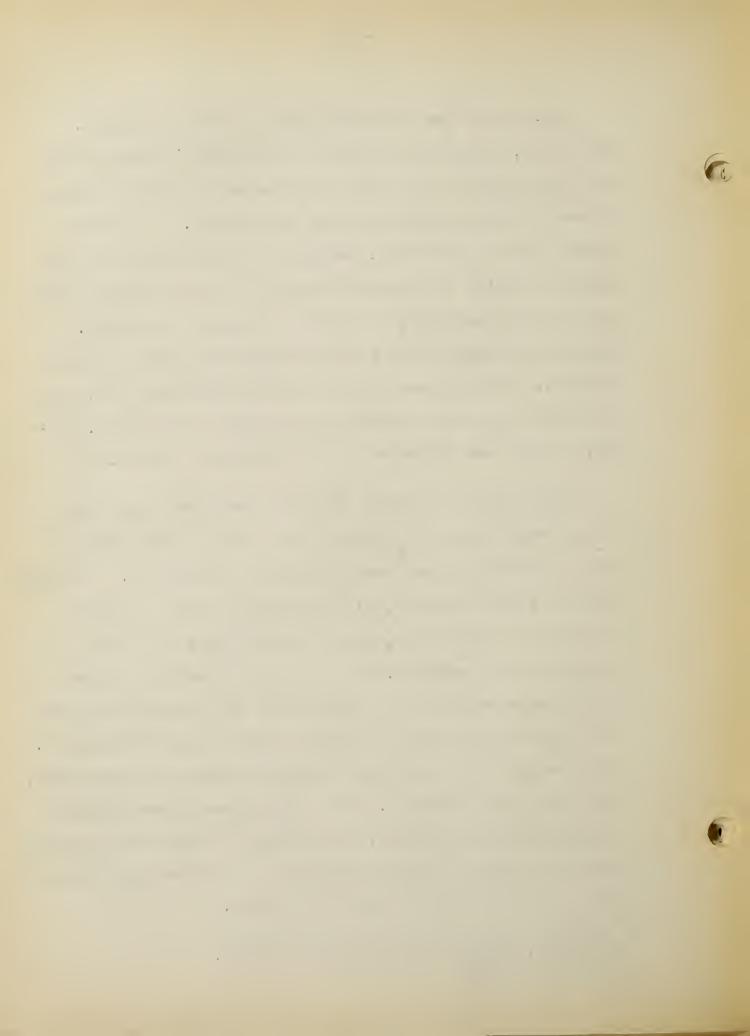
The fate of Protection was really sealed on July 1, 1852, when, Parliament having been prorogued, Disraeli told the Queen that the Corn Duty was "abandoned under any shape whatever, whether for protection or revenue".* The Parliament was not satisfied, however, and Villiers put a very offensive motion which was an insult to the Tory Party, while at the same time making it formally renounce protection.

Palmerston brought forth a milder resolution which could be accepted, and which was favored by the House much more, with the result that they rejected the original resolutions, 336-256, for the more moderate one of Palmerston, 468-53.**

The uncertain attitude which the Government had taken was now played up by the Opposition, and Lord John Russell tried to show that the Government had no principles. Disraeli showed, as not ambiguous, his speeches and those of Derby calling for a fixed duty, which was advocated not as "a principle but a measure".*** He stated that "the object of the Government was to do justice to those wronged in 1846, but 'without disturbing the system which is now established'."

"There could be no doubt now", comments Disraeli's biographer,
"about Disraeli's meaning".**** The time-honoured policy of the Tory Party, Protection, was allowed to lapse into innocuous desuetude, while a county improvement, or strictly agricultural policy, was firmly ensconced in its place.

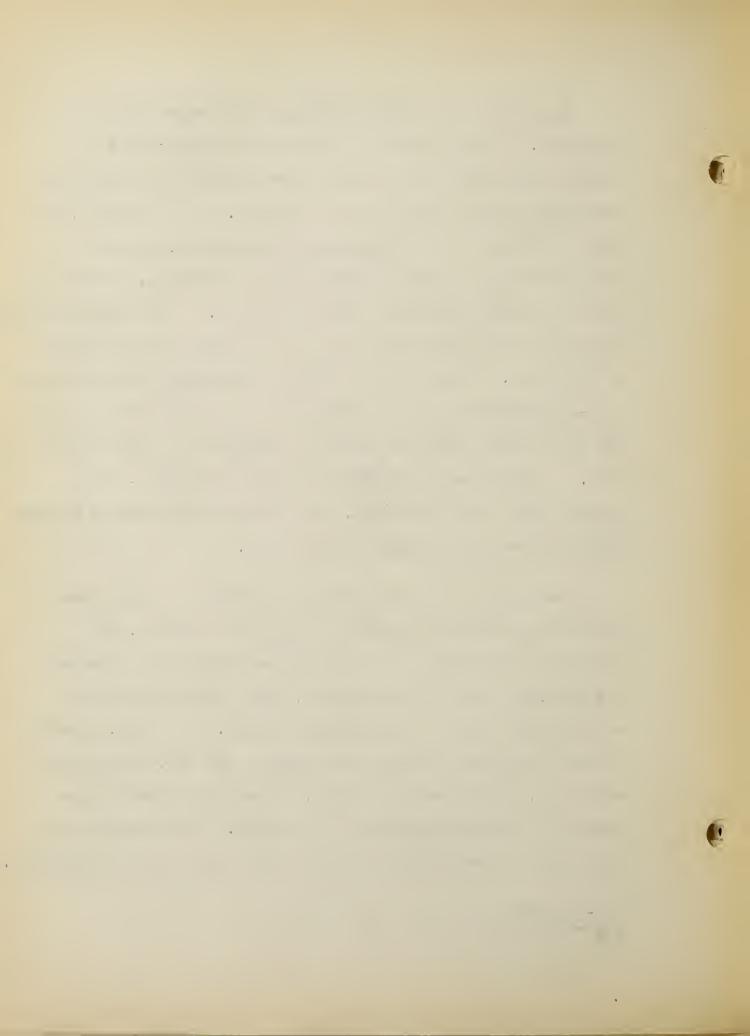
^{*} M-4-iii, 377
** M-4-iii, 409-421 for the entire episode.
** M-4-iii, 372
*** M-4-iii, 379



The election of 1852 was fraught with meaning for all concerned. The bugaboo of Protection had been laid at laid at last, and no one supposed for a minute that the Tory Government would carry out such a policy. As a result, the cries of "wolf" by the Whigs fell on deaf ears, and the election* gave the Conservatives 310 to 270 Whigs, and 35 or 40 each of Peelites and Irish Roman Catholics. The Conservatives by now had absorbed a majority of the original 100 secessionist Peelites. However, the Peelites remaining were distinctly anti-conservative and Free Traders of the radical sort, and the Irish Roman Catholics were also against the Tory Government. Furthermore, the prty was weak internally, with a general free trade influence, but still in many cases a strong taint, at least, of protectionist ideas.

What would the Tory Government attempt? Rogers has stated that with the reaction of political feeling, the Protectionists would try to inaugurate their type of Budget and that, in doing so in December, 1852, Disraeli failed, and with his failure, protectionist ideas.** This, however, is the opinion of a devout Free Trader, and one, furthermore, who seems, in this case at least, to have ill digested the history of the Tory party in this period. In actual fact, the Budget of December 1852, was a Free Trade Budget distinctly.

^{*} M-4-iii, 379 ** R-1, 39-40, 68



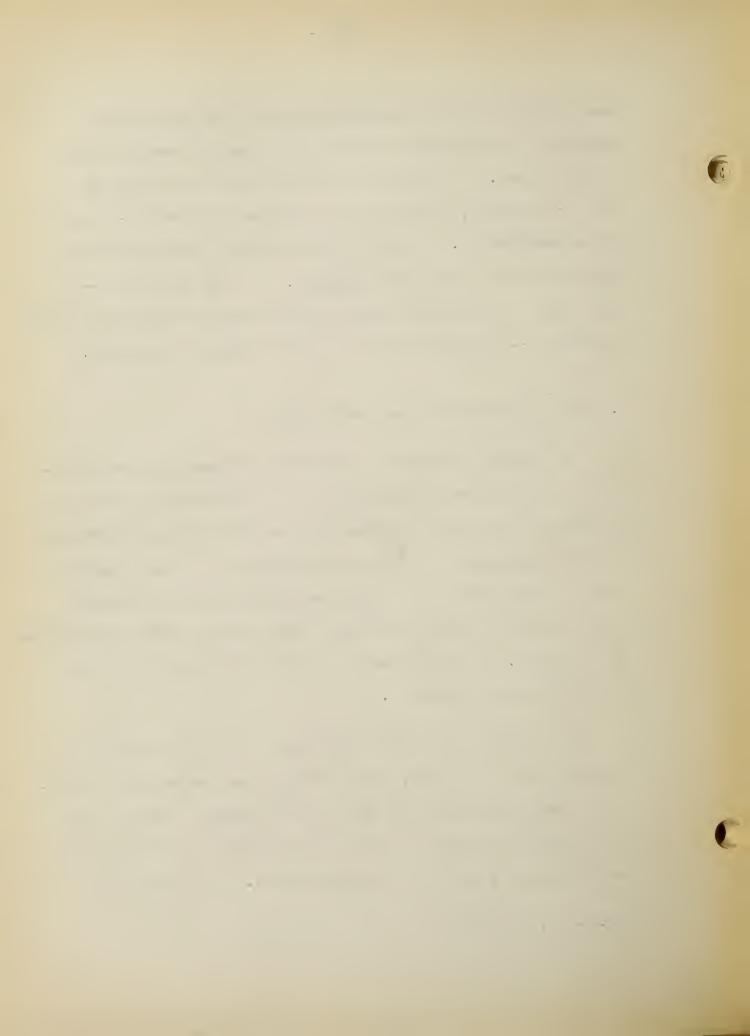
Disraeli had decided to reduce the malt tax and the tea duty, so as to make the drinks of the public cheap as well as their food. It must be admitted that the losers of 1846 -- shipping, sugar and agricultural interests -- were to be compensated. However, the general principles were the same as all Free Trade Budgets. "The root idea -- that under a Free Trade System direct taxation must be largely increased -- has governed all recent financial schemes".*

6. The Condition of Free Trade (1852 --)

The Disraeli Budget of December 1852 was defeated (305-286), by the united opposition of all the other parties, and by certain Tories who perhaps believed that the proposed Malt Tax reduction was to favor the brewers and not the general public -- that is, that it was reduced to favor a certain class, though nothing could have been farther from the thoughts of its maker. At any rate, the Derby-Disraeli Government was defeated and went out.

The Budget of the new Government was taken over by Gladstone, who, in 1853, made new advances toward Free Trade. It has been considered by some as his greatest Budget, some giving him the credit for sensing that the country was at last definitely committed to Free Trade. In reality,

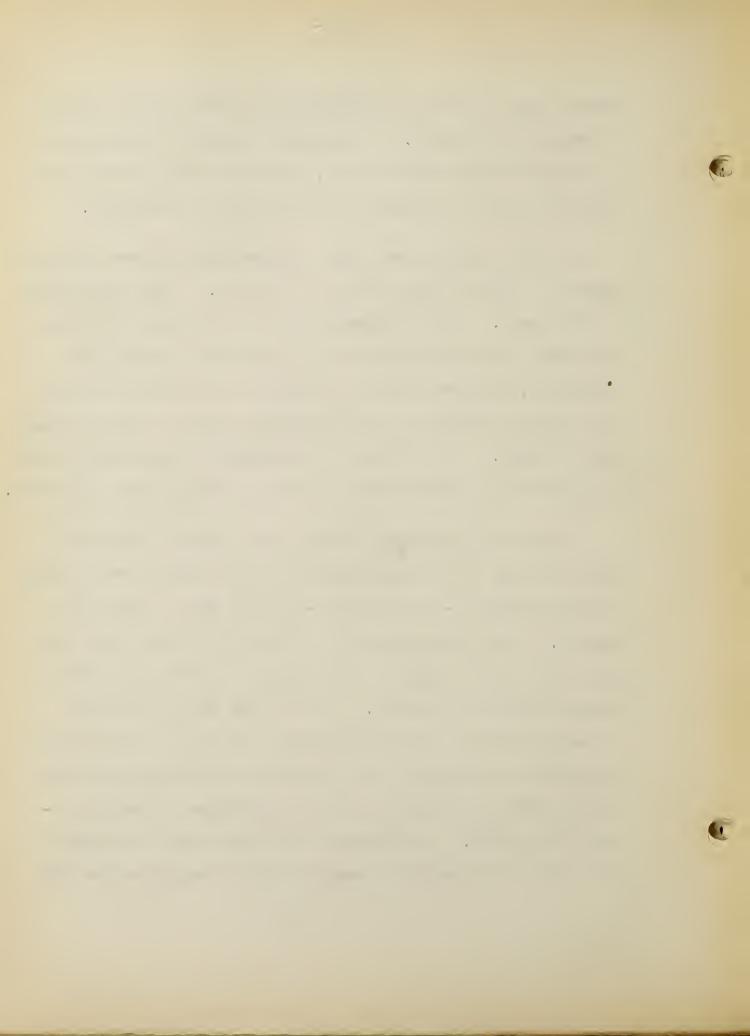
^{*} M-4-iii, 448-449



Disraeli was the first to appreciate the fact, as his Budget of December 1852 shows. The credit was due to him who was of a former Protectionist party, and who yet had the courage of his convictions to change his party's policy definitely.

In fact, Disraeli was able to boast that the new Gladstone Budget of 1853 was very similar to his own. Both had agreed on Free Trade. The difference was in the stress on succession taxes, which were greater in Gladstone's, and on the income tax, which was more in Disraeli's, and which Gladstone was trying to eliminate by a seven-year tapering system (which later failed). The stress in each case was a natural result of Landlord Aristocrat (Tory) and Middle Class (Whig) interests.

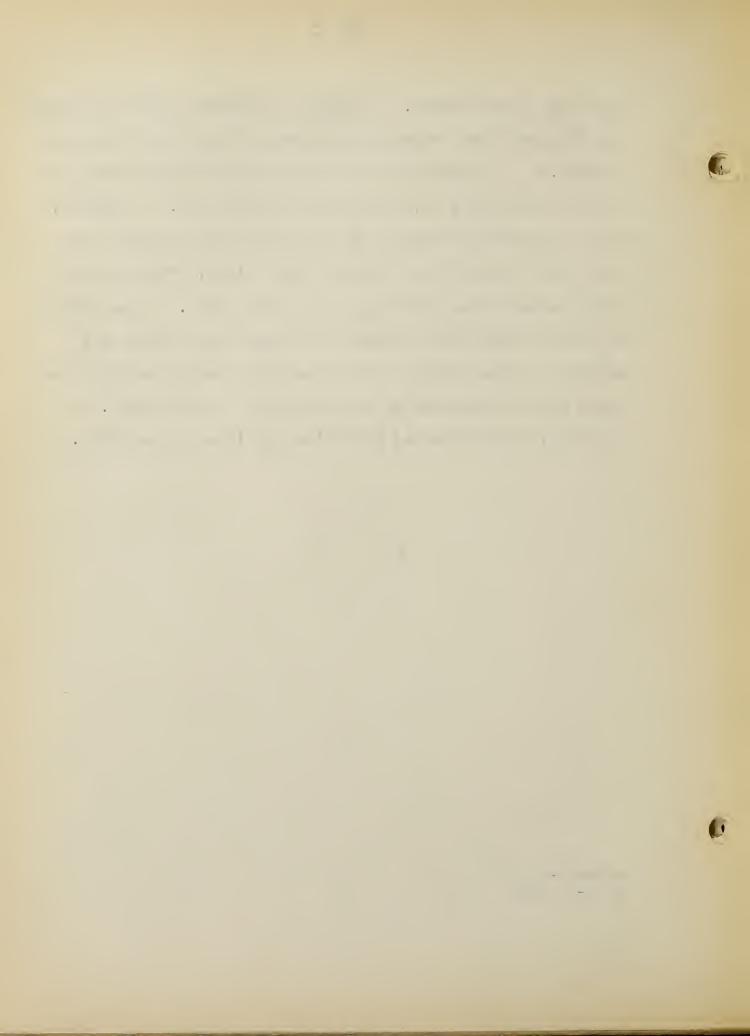
The true significance of these two Budgets lies in the fact that both of the large parties of the country were agreed on one principle -- Free Trade -- as the basis of national economy. This recognition by both major parties meant that Free Trade was no longer to be a weapon of political strife, aligned against Protection. Free Trade would henceforth be non-political -- a national ideal, not to be tampered with by parties, on penalty of inevitable loss of prestige or even of destruction to the party which should dare to harbor contrary principles. Furthermore, it meant that the people, as a whole, were eminently satisfied with the principles and



workings of Free Trade. English Economists began to explain the industrial and commercial growth of England by this magic formula.* Political scientists and philosophers swore by it, or rhapsodised it, according to their mood. Bagehot, now a recognized authority of his day on the "English Constitution", wrote in his book of that title, "There is as little appeal from the figures as from battle. Now (1867) no one can doubt that England is a great deal better off because of Free Trade; that it has more money, and that its money is diffused more as we should wish it diffused".**

In truth, Free Trade had found its way into English life.

^{*} See R-1, 61
** B-1, 103

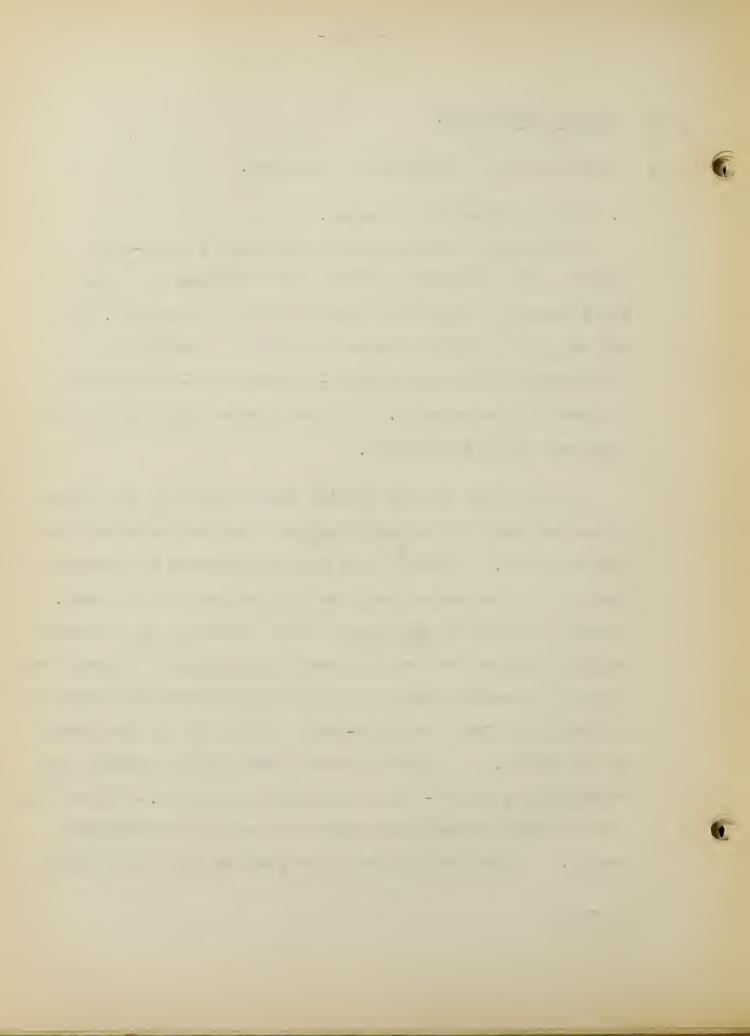


IX Imperial Preference.

- A Early Reactions to Manchester Doctrines.
 - 1. Popular Interst in Colonies.

The Cause of Free Trade had possessed a world-wide flavor; or it had been bound by the narrowness of those who accepted it merely to further their own interests. In any case, few in their furore of aiding all humanity, or only one particular individual -- themselves -- had thought in terms of the colonies. In most cases they might as well have been foreign countries.

The reaction to this feeling came as soon as the nation became relieved of the worst economic troubles consequent to the Corn Laws. Indeed, we might find isolated instances of the reaction to Manchesterian beliefs before their success. Carlyle in his work Chartism of 1839, refers to the colonies considerably, as "at once the proud inheritance of a great past and an opportunity designed to take up the stream of emigration and carry the ideas of Anglo-Saxon culture to all the corners of the earth".* A little later, James Anthony Froude, that exceedingly popular -- if notoriously inaccurate: -- historian, who published before 1870, makes the epoch of colonization heroic. About the middle of the same century John Gibbon

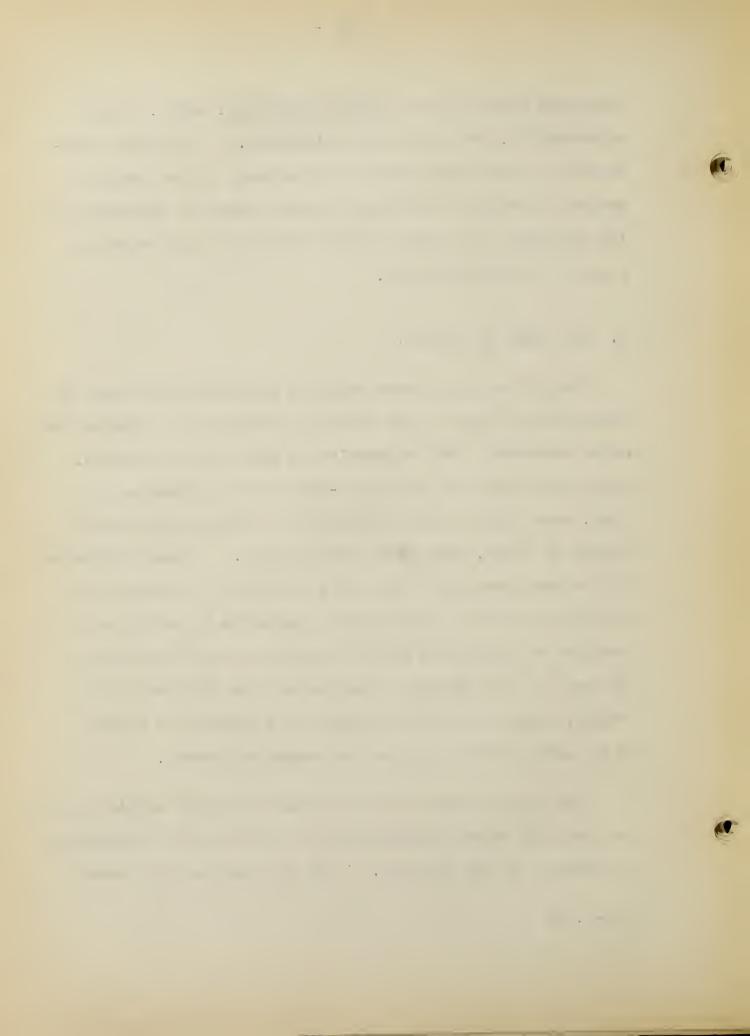


Wakefield published his <u>Colonial Theories</u>, which, though unsuccessful, aroused a lively interest.* The very popularity of these works showed the tendency of the English people to react in a favorable manner toward a knowledge of the colonies and a closer connection with their history as a part of British history.

2. The Dream of Empire.

While the people were becoming interested once more in the colonies, what of the heads of Government? England had made concession after concession to each of her colonies, which, due partly to the Anglo-Saxon blood predominant in them, were loyal to the tradition that demands for itself, sooner or later, autonomous institutions. Those Ministers of the Home Government who tried to retard the process of nationalization of the colonies, succeeded in making only trouble for themselves and for England -- as, for example, the loss of the American Colonies and the difficulty with Canada, where the earlier counsel of a Burke or a Durham might have entirely changed the course of events.

The significance of all this early part of British policy is that many short-sighted ministers persisted in attempting to dictate to the colonies. Few of them saw the common

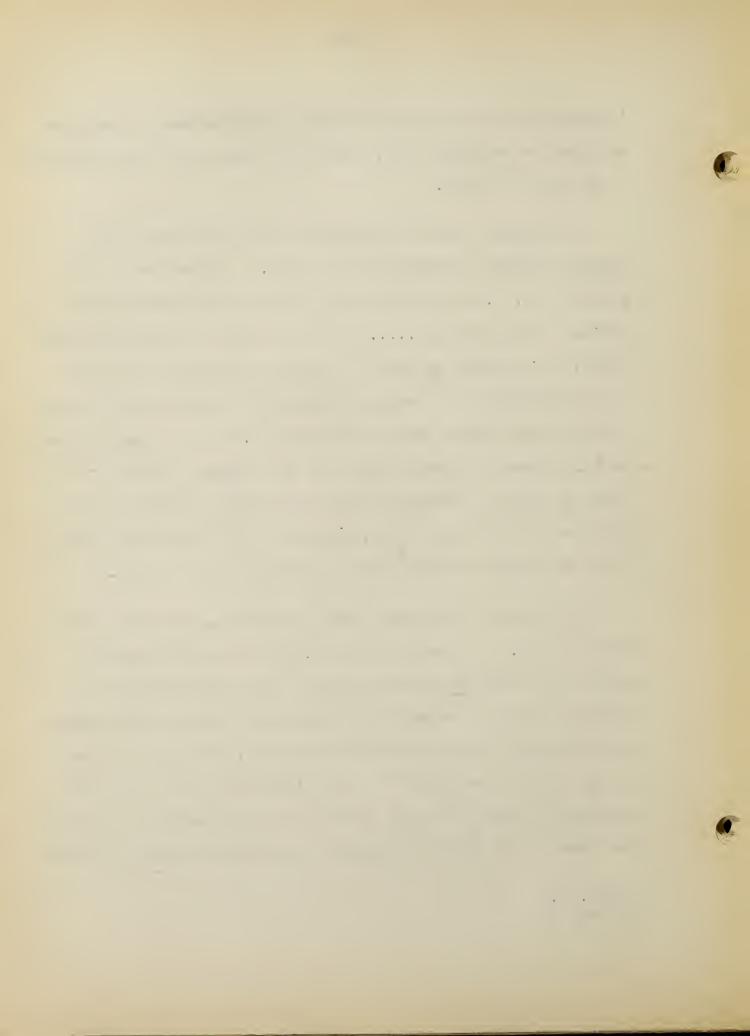


interests of the colonies and the Home Government, much less believe, as Huskisson did, thaty they "deserved consideration" * in matters of trade.

The change came with Disraeli, one of the most farsighted English statesmen of all time. This view is not shared by W. P. Hall, who says, "Disraeli was more fond of visions than realities..... He did nothing to formulate new bonds, to urge new unities of thought and feeling, and what is more important, to try out expedients by which the greater Britain might become more closely knit".** It seems to me Hall has taken a dogmatic view of the matter; though, it is true, in solid, substantial accomplishments, which could be put down in black and white, Disraeli did not do much which could be rightly labeled "realities", in Hall's sense.

If Disraeli was indeed fond of visions, they were productive ones. As early as 1847, he asked, "why England should not have her Imperial Union (like the Zollverein or Customs Union of Germany), the produce of every clime coming in free which acknowledged her authority, and paying no tax to the public Exchequer?" His biographer adds that these sentiments, which "fell on deaf ears at the moment", "contain the germ of the idea of Imperial consolidation which Disraeli

^{*} See, p. ** H-1, 17



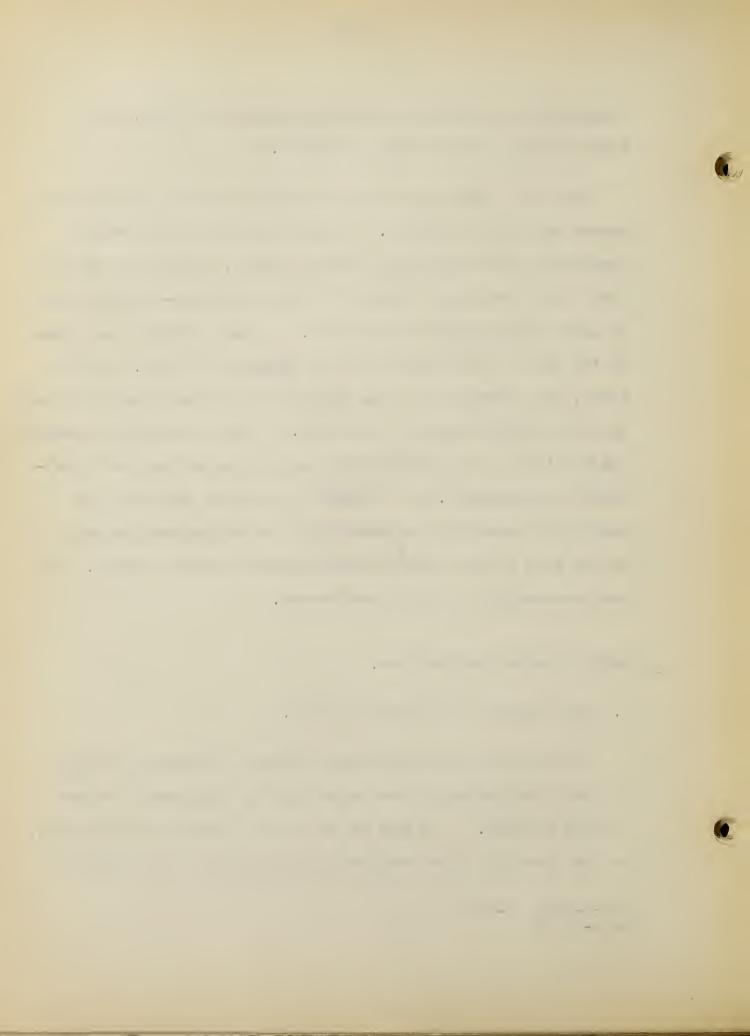
elaborated on a more favourable atmosphere in 1872, in a famous speech at the Crystal Palace".*

manner calls his "vision". His exploits in the field of the Empire, his best known accomplishment, I need not mention here; but the actual results of these were far-reaching, and of great psychological importance. The notion of the Queen as the head of the Empire, and as Empress of India, his own ideas, were important in the sense that they were understandable by the simplest minds in the Realm. They appealed to people's imaginations, and provided what Bagehot has called an "intelligible government".** Indeed, Disraeli's work was the absolutely essential groundwork for the enthusiasm aroused in the case of the coming queen's Golden Jubilee (1887), and the accompanying Colonial Conference.

- B Early Colonial Conferences.
 - 1. The Colonial Conference of 1887.

The Colonial Conference was perhaps the natural result of such a gathering as was occasioned by the Queen's Golden Jubilee of 1887. It was to be, as the Marquis of Salisbury, at the opening of the Conference, prophesied, "the parent of

^{*} M-4-111, 23-24 ** B-1, 30

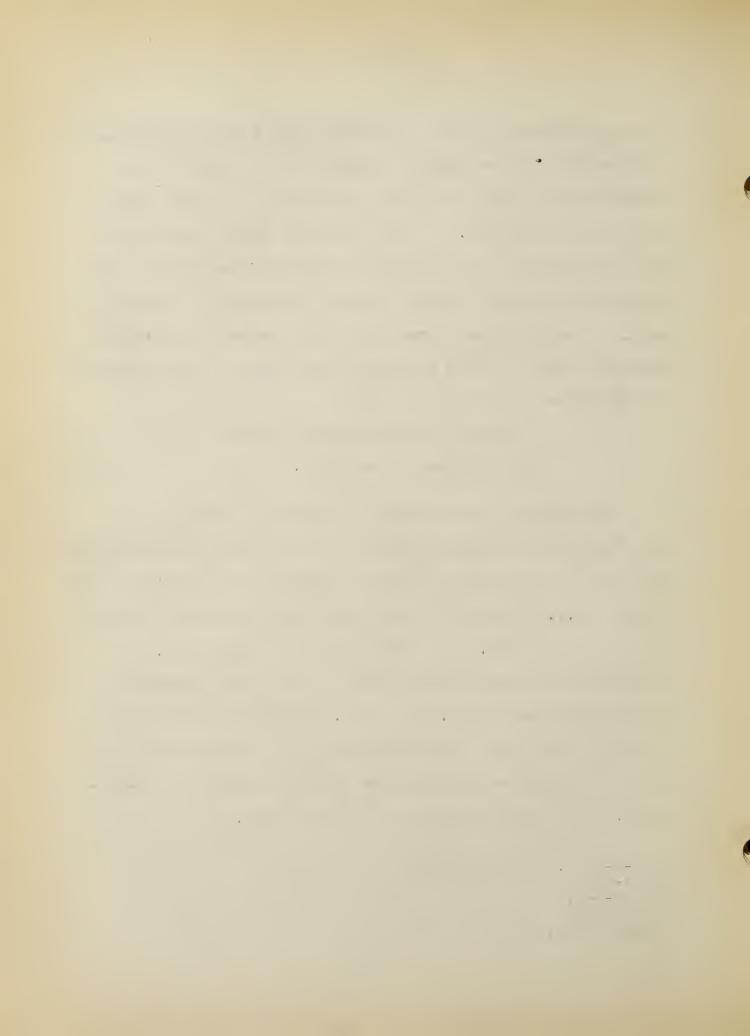


a long primogeniture".* The delegates were both idealistic and optimistic, probably because they had as yet had no experience in the difficulties in the way of closer union which soon developed. Just a hint of trouble was shown in the speech of Sir Wilfred Laurier** of Canada who spoke enthusiastically of a closer trade relation, in a general way, and capitalized to the utmost the preferential tariff accorded Britain, "but expressing the status of the Dominion in the lines of Kipling:

"Daughter in her Mother's house, But Mistress in her own".

Sir Samuel Griffith made an important statement that the "unity of the empire could be consolidated and maintained by adding to the existing bonds a definite recognition of the principle... of material interests as distinguished from the rest of the world".*** Jebb calls this "the bond, the conscious inter-dependence which is the vital principle in organic communal life".**** Mr. Hofmeyer of the Cape of Good Hope said that the Zollverein was the first step, but said, "It (preference) may come to mean Protection bye-and-bye".***** How right he was we shall see.

* J-l-i, 5. April 4, 1887 ** H-l, 19 ** J-l-i, 63 *** Idem **** J-l-i, 171



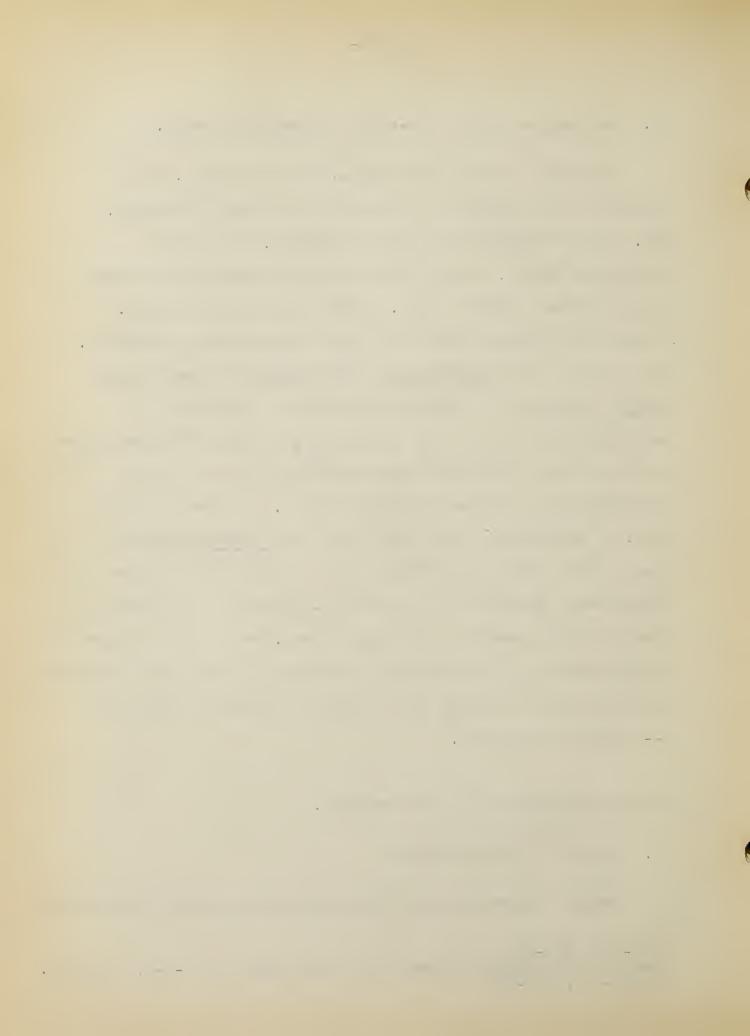
2. The Conference of '94 -- and Preferential Trade.

The 1894 Colonial Conference, held in Canada, is of interest here because of the speech of a single delegate. Mr. Foster, Canadian Minister of Finance, who made an important speech, in which he considered preferential trade the strongest Imperial Bond. His ideas follow in part. "Trade and commerce carry with them knowledge and sympathy". He mentions "the powerful and common bonds of material and social interest" as "continually widened, continually strengthened, and this is, to my mind", he says, "the guarantee of the future unity, the future stability and the future prosperity of the great British Empire".* More important yet, he pointed out that Free Trade was not preference, ** that Great Britain should give this to the Colonies, who were Great Britain's best customers, and whose food supply Great Britain needed, especially in war. *** Thus the central ideas developed, even before the entrance of that most important and most colorful actor on the stage of Imperial Preference -- Joseph Chamberlain.

- C. Joseph Chamberlain and the Movement.
 - 1. Personal Characteristics.

Joseph Chamberlain has been called "persuasive and perhaps

^{*} J-1-i, 175-176 ** For full Canadian argument on this point see J-1-i, 356 note. *** J-1-i, 176-178



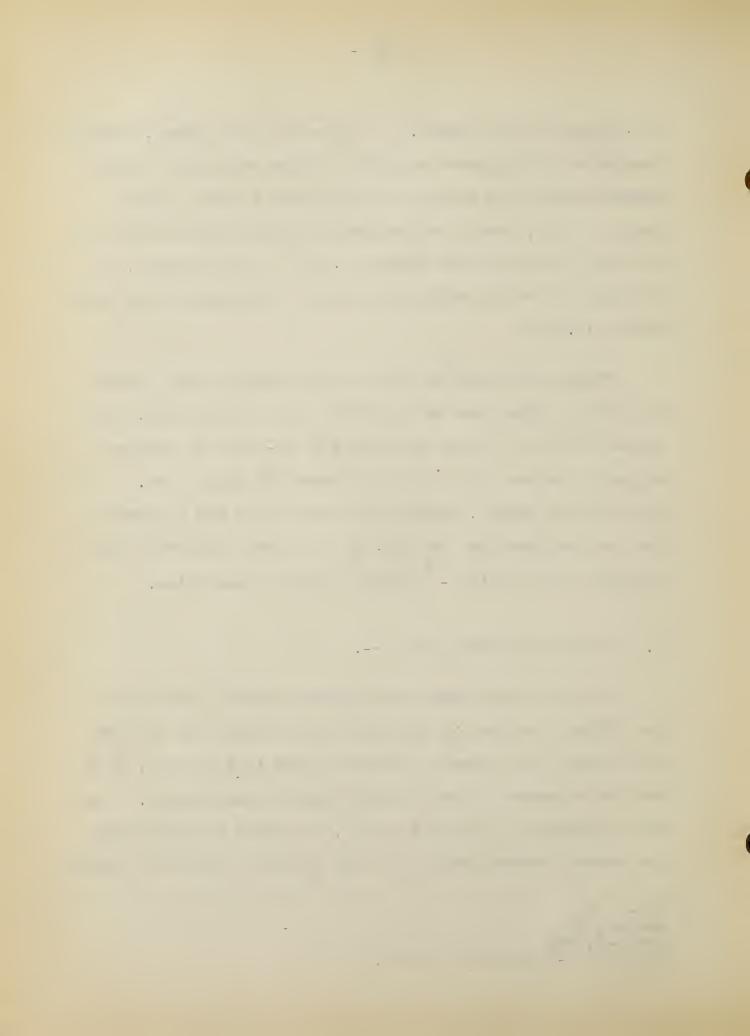
far-sighted in his ideas".* He was not well liked, probably because not "in general noted for either compromise or sweet reasonableness", ** and had, as he admitted after leaving public office, 1905, "been accused of every public crime and of almost every private iniquity". *** To his credit, be it said that no one ever proved any of these scandalous tales about him. ****

Chamberlain gave his life to one passion after another, and some of these were at different time antagonistic, which caused him not a little embarrassment to have his earlier arguments thrown up at him to disprove his later ones. To give him due credit, however, his final lust was a vigorous one, and he gave his life and his political prestige to the success of his vision -- English Imperial Federation.

2. Colonial Secretary, 1895 ---

From the time Chamberlain became Colonial Secretary in the Unionist Cabinet of 1895 until his resignation in 1903, the movement for Imperial Federation was in his hands, as he saw and attempted to realize one vision after another. On his accession to the above office, he looked around and saw the German Economic danger and the American market as a magnet

^{*} H-1, 23
** H-1, 22
*** M-1, 370
**** See M-1, Ch XLIII Entire.



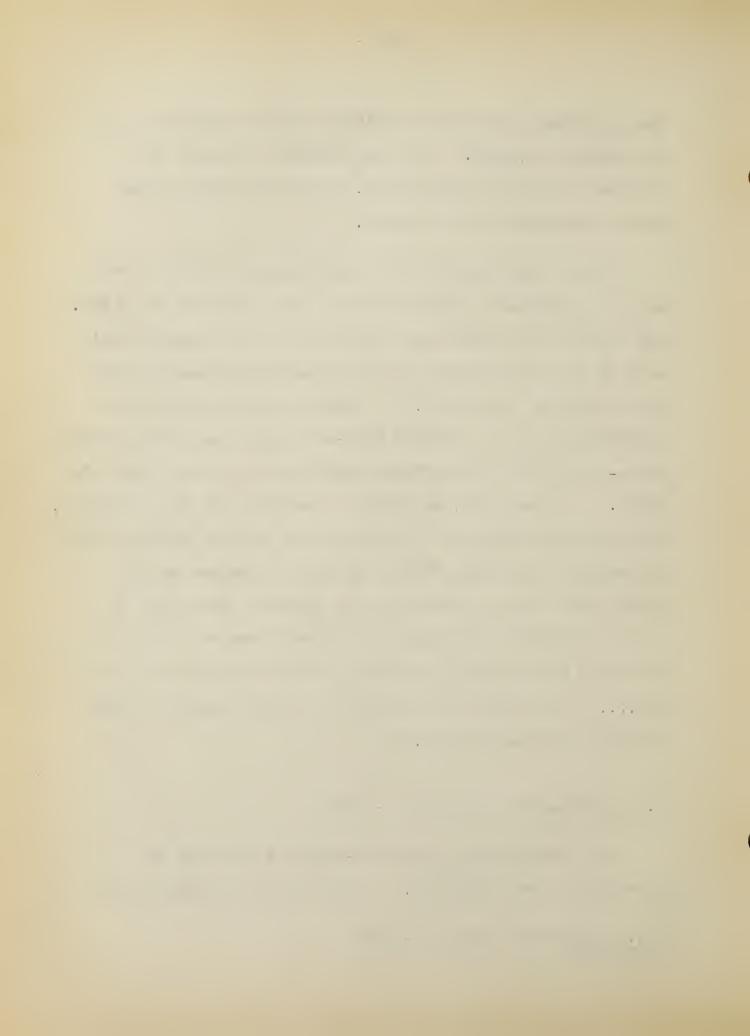
drawing Canada, and feared similarly for the safety of all the British colonies. He thus desired to secure the Colonies for the British market, and to bind them to the Mother Government at one stroke.

He saw the federation of Australia and of South Africa
was not complete in 1895 and did not wish to hurry the unity.
The Colonies and they alone must take the step toward "their
part in the noble heritage which we have preserved for them
as well as for ourselves".* However, he had chosen the
Secretaryship with a careful eye -- he could have had a better
one -- so as to be an influence where he could best shape his
plans. He would be, as Colonial Secretary of Lord Salisbury,
the presiding officer of the Conference, and he laid his plans
accordingly, preparing the way by public speeches to the
effect that "if our self-governing colonies desire now to
share the glories and responsibilities of empire they will
find that we are more than ready to meet them more than half
way... We think of the future of the race as well as the
future of our own people".**

3. The Colonial Conference -- 1897

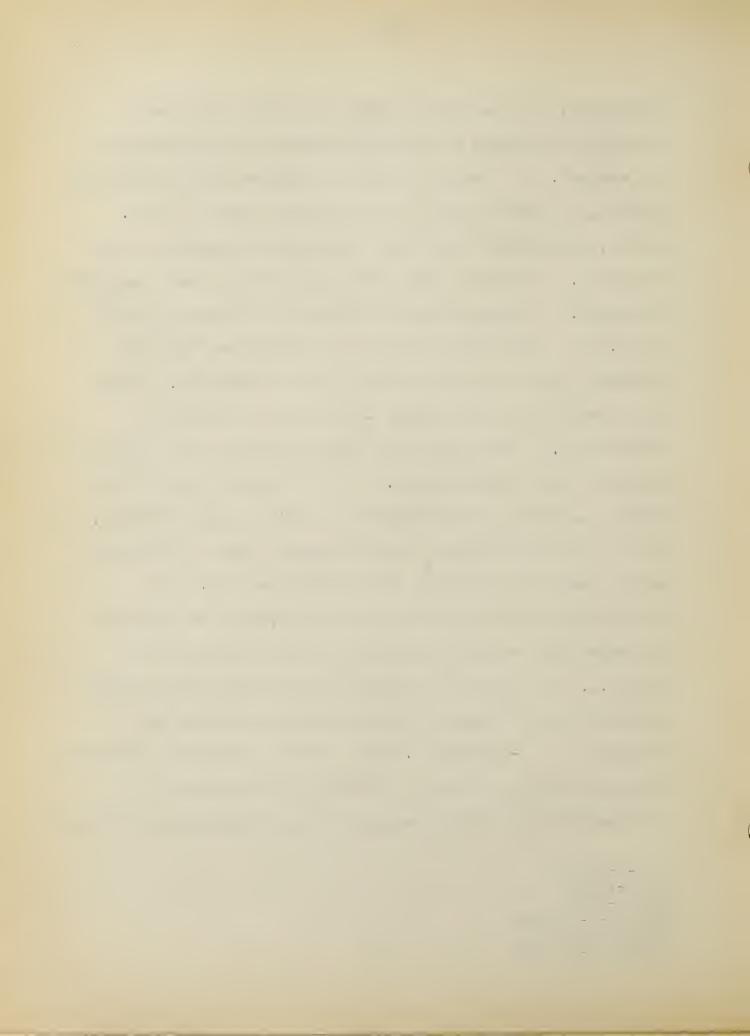
The Conference, though well-nursed in advance by Chamberlain, was a failure. This was due in part to the

^{*} J. Chamberlain Speech, H-1, 23 ** H-1, 23



Zollverein, * or free trade within the Empire "to obtain commercial relations and improved communications throughout the empire". ** Premier Turner of Victoria, and Sir Wilfred Laurier, of Canada, gave quite a distinct check to this. Indeed, only Tasmania and New Zealand were favorable to the The rest felt them too costly to their countries' proposals. "Favors they were pepared to receive. few to interests. give". *** The upshot of the whole affair was that the premiers agreed to give the whole matter publicity, though not to effect any real change -- a distinct setback to chamber lain. They would not pass even the mildest resolutions to favor his proposals. Jebb suggests that if the British colonies could not grant it, neither could Britain, since a Zollverein meant a tariff against those outside the union, impossible with her Free Trade interests. **** Furthermore, though the Zollverein had "proved an admirable instrument for welding together the loose fragments of a nation... it is wholly unadapted for promoting the harmony and welfare of a group of separate nations seeking the advantage of co-operation". ***** Was it therefore surprising that Chamberlain's idea of a unified state by means of a Zollverein "broke on the rocks of Colonial indifference" ?*****

^{*} J-1-i, 352 ** H-1, 20 *** H-1, 27 *** J-1-i, 306 **** J-2, 273 **** H-1, 165



4. The Birth of his Imperial Preference Idea.

During the period between 1897 and 1902, the date set for the next Colonial Conference, the fertile brain of the Colonial Secretary, undaunted by his failure, gave birth to a new idea and a startling one, -- to England. This was the idea of Imperial Preference -- suggested hazily by some former statesmen of the conferences, but now clear and concise.

It consisted of inter-Imperial preferential tariffs, to include the Dominions. The plan involved a food tax on foreign products in Britain herself to compensate for a colonial preference to British manufactures. Some Colonies, like Canada, already gave England some preference as to manufactures; but in the food tax, violating as it did English Free Trade principles and taxing the English masses, was to come the rub.

5. The Colonial Conference of 1902.

"From each quarter the cables flashed the same message of whole-hearted 'loyalty',... yet... this superficial solidarity concealed the widening gulf between loyalty and patriotism, which the meagre outcome of the Conference presently revealed to the world".

(Jebb, Richard, Studies in Colonial Nationalism, p. 136)



Chamberlain had said, "Our first object is Free Trade without the Empire".* He was not able to gain this, as it was resolved that this was "not practicable".** However, it was resolved that "This Conference recognizes that the principle of preferential trade... would stimulate and facilitate mutual commercial intercourse, and... strengthen the empire".*** Thus had the Birmingham statesman won the first battle in his campaign for a closer economic union.

6. His Campaign at Home.

Chamberlain, after the Conference, was now faced with the problem of getting the Government and the people to like his idea. His first problem was the cabinet. He adopted the policy of conversion to his ideas or ultimate ejection. This was all very well for Ritchie, the Chancellor of the Exchequer, or even the respected Duke of Devonshire; but he could not eject his head, the Prime Minister, Mr. Balfour, nor could he get the diplomatic Balfour to agree wholly with him at first, for Balfour was interested only in leading the Conservatives, and cared not a fig for any program unless it was a means to that end.

^{*} J-l-i, 355
** J-l-ii, 29
*** J-l-ii, 28

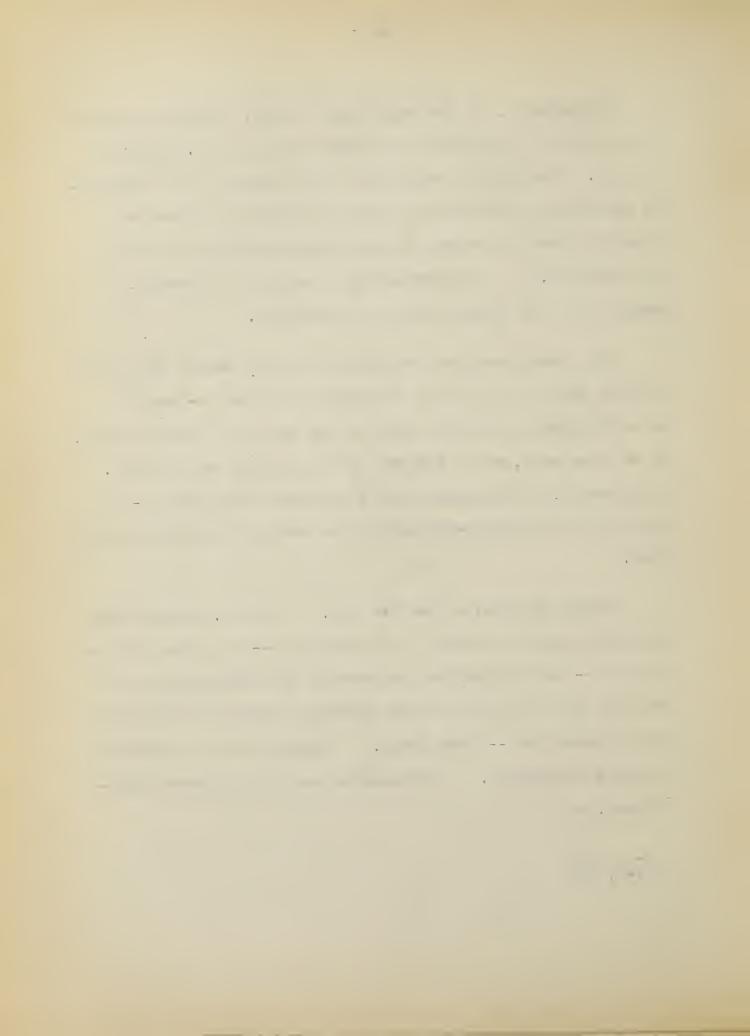


Furthermore, at the beginning of 1903, Ritchie objected to his idea of retaining the slight war duty (ls./quarter) on corn. Chamberlain appealed to the people, very cleverly, by showing the preferences already existing in Canada and promising more in return for preference granted to Canada and the rest.* He appealed for a British Zollverein, saying that the German was very successful.

This speech was not sensational by any means, but public opinion made it so, for it violated Free Trade -- now for over fity years solidly a part of the British "Constitution", as we have seen, and a standby of all English politicians. Furthermore, the proposed tariff involved foodstuffs -- an idea which had been repellant to the average Englishman since 1846.

Another difficulty met the eye. Did Mr. Chamberlain speak for the Government? No one knew -- not even Balfour himself -- but all desired to know if the Unionists were to cast off that by which it was generally admitted England had grown prosperous -- Free Trade. Chamberlain had asked for a public discussion. He exceeded even his highest expectations.**

* H-1, 170 ** H-1, 171



Mr. Balfour, in the meantime, had prepared a very general article * which he published, but which carefully said nothing about the debated point -- namely, colonial preference. However, the argument had a Chamberlain flavor, and the Prime Minister had, furthermore, just appointed Austen Chamberlain. sone of Joe, as Chancellor of the Exchequer, in lieu of Ritchie, who had resigned. *** Later, in October 1903, he made a speech which stated that Mr. Balfour desired "fundamentally to alter the fiscal tradition" *** of England. ever, he did not give particulars. Indeed, he was rather vague at all stages.. Friends began an ardent campaign of pamphleteering propaganda, and Chamberlain, in the same month. returned with another speech advocating a tax on foodstuffs, with preference for Canadian grain and Australian meat. meet a £2,800,000 deficit, he would put just a slight duty on manufactured goods, not for protection, but to raise revenue and prevent dumping. Asquith called this Chamberlain's "dumpophobia" **** argument.

Indeed, all the Liberals, and others, were criticising
Chamberlain by this time. In fact, the Liberals felt an
unholy glee. A new issue, plus the Government's inefficiency in war, gave them a foothold. They could also scare

^{*} See Balfour, A.J., Economic Notes on Insular Free Trade,

Longmans Green Co. 1903

** H-1, 172

*** H-1, 173

**** See A-1, Speech at Newcastle on Tyne.



up that ancient fetish, Free Trade, and defeat the Tories and incidentally Chamberlain, whom they hated whole-heartedly. "By whatever name the Tariff Reformer might describe his new policy, his opponents called it Protection".*

Asquith was more than energetic. He spent October and November in a campaign. He had good material, for Chamberlain's political life was full of contradictions ** and these were beginning to bear fruit. He had once supported Free Trade in fiery phrases -- he had lately written what Asquith now styled "Mr. Chamberlain's New Readings of History in Days Before Protection in 1846". *** In this account, the country was declared prosperous and the people well-to-do under protection. Furthermore, he had patently chosen figures from the Trade Board's book which would prove what he wanted to prove, ** and only that; and if, as he showed, Asquith's speeches contained grave inconsistencies, his own contained Besides this, Asquith appealed to Patriotism greater ones. by saying, "Mr. Chamberlain says, and says truly, that the colonies ought not to be treated as an appendage of Great I agree, and neither ought Great Britain to be treated as an appendage of the colonies". **** He published all his speeches in book form with criticisms of Chamberlain,

^{*} M-1, 314

** M-1, 314-315

*** See A-2, 6 (and the entire chapter II)

**** Namely, that the export trade was dying. See A-1, 21-22

**** A-1, 16. Speech at Cinderford, Oct. 8, 1903.



to sell for a low price.* He also prepared a humorous skit which took the form of a manual entitled, Protection for Beginners.**

Indeed, activity in all parties was high, for a general election was expected. As Salfour was ill, no one knew his views about Chamberlain's efforts. The Liberals hoped to pass an amendment to the address from the Throne, and thereby defeat the Unionists. They claimed the Unionist Government was Protectionist.

Balfour, now back, denied this, and drew nice distinctions to show it was not so. He divided the tariff reformers into four classes, in order of protection: the free importers, the Government, Chamberlainite preference, and protectionists.***

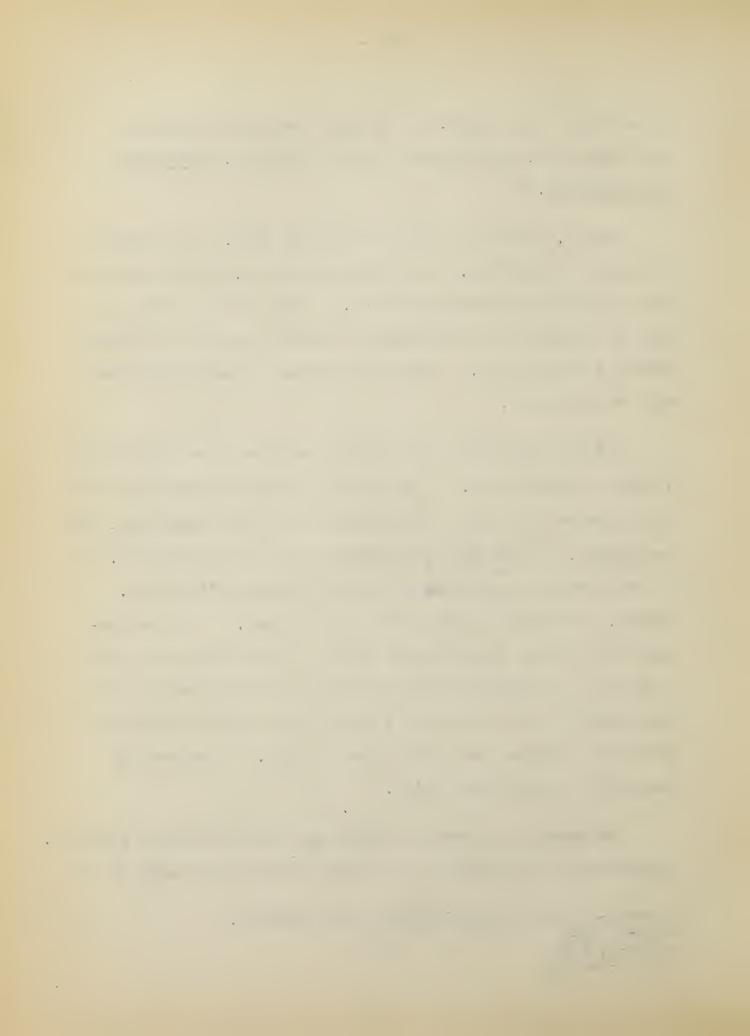
He was more than ambiguous as to the Government's policy.

Indeed, he seemed to favour all four at once. He now proposed his famous "two-election plan"; if the Unionists won, a Colonial conference should discuss the "whole question of preference" ****; the second election then should take place, and public opinion would have time to form. Chamberlain accepted, to save party unity.

The pressure of public opinion now necessitated an election. Chamberlain's and Balfour's followers, especially those of the

^{*} See A-1 & A-2 of Bibliography, for examples. ** M-1, 342

^{***} M-1, 342 **** H-1, 176



former, desired an election, to get the people's will.

Balfour, who had suffered many minor defeats and was unable to continue with a majority, resigned to be succeeded by Campbell-Bannerman, and in January 1905, the crisis came.

7. The Election of 1905 -- Exit Balfour and Chamberlain.

The election was vigorously contested on the hustings, with the result in the following manner:*

"Whole Hoggers" -- Chamberlain - 109 seats

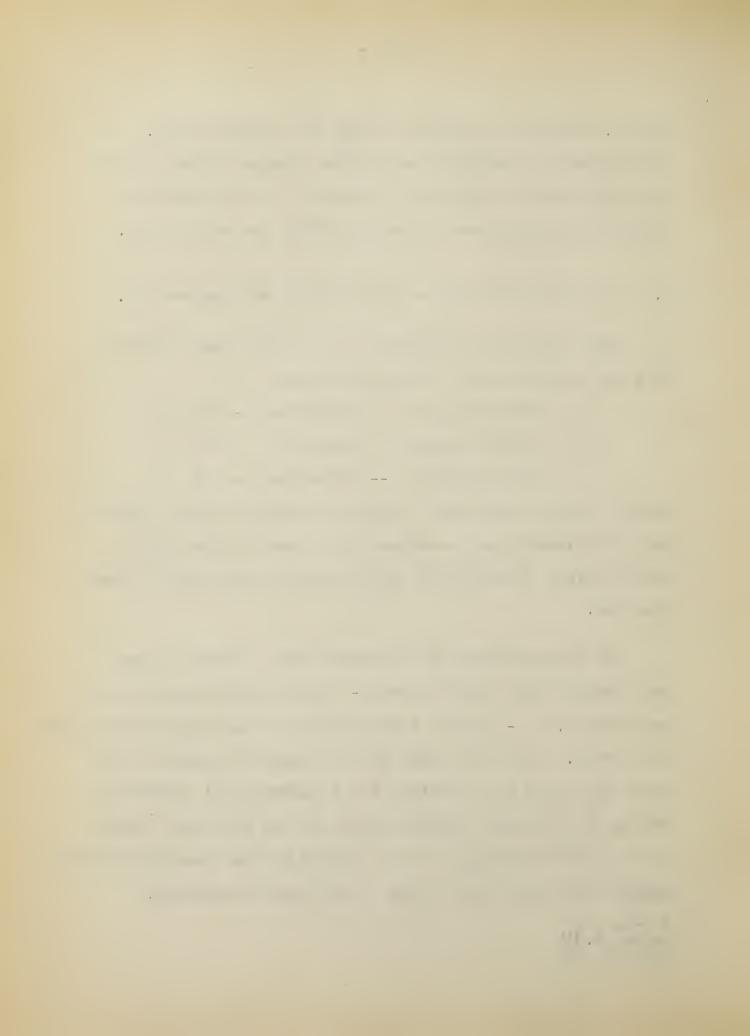
"Little Piggers" -- Balfour - 32 "

"Free Fooders" -- Devenshire - 11 "

However, these votes were not nearly enough, and the Unionist party of Disraeli and Salisbury went down to ignominious defeat before Liberals and Labor, and with them their fiscal practice.

The Conservatives (or Unionists) were ruined by just what Disraeli had led them from -- "The hopeless question of Protection".** -- against which the Free Trade tradition had been too strong. This was aided by the "apparent absence of ant clear call from the Dominions for a Preferential Tariff" ***, and by the fact that the dissension in the party was patent to the whole country; but the "mental set" of Free Trade really accomplished more than all the other reasons combined.

^{*} H-1, 178 ** See p. 111. *** H-1, 178

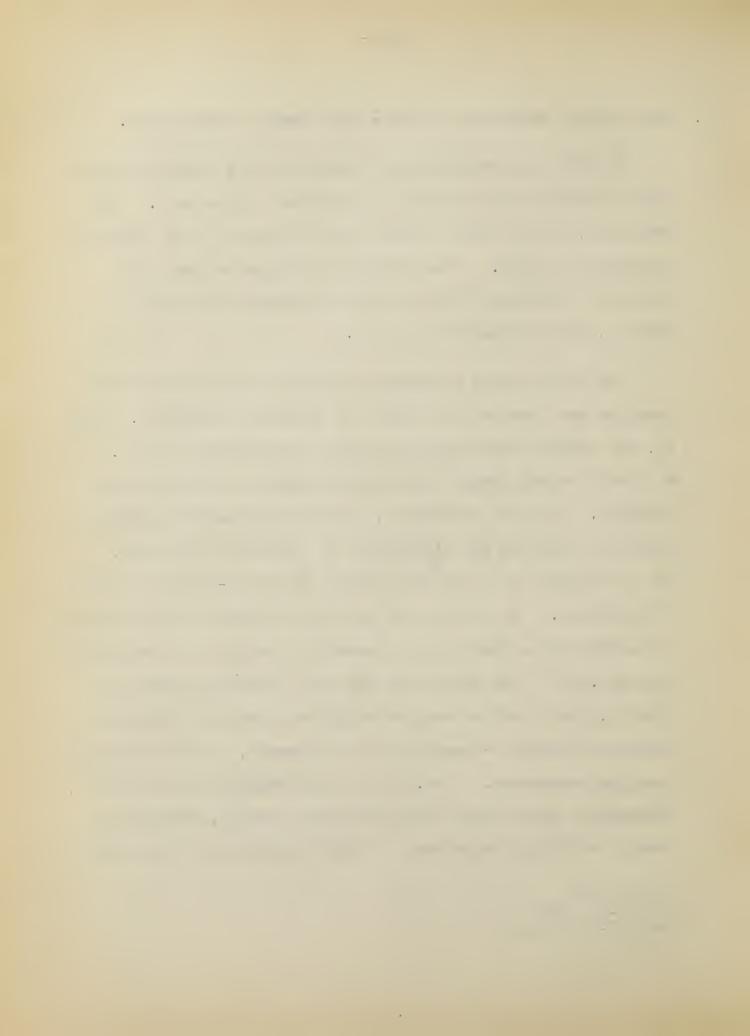


D. The question Reopened -- 1907 -- The Imperial Conference.

In 1907, the Preferential Chamberlainites received active aid and comfort from erstwhile indifferent supporters. The Dominions, so far inert, showed their interest in the Imperial Conference of 1907. The Colonial Premiers favored the project of Preference but the Home Government (Liberal) opposed, and the question was out.*

The Lloyd George argument ** rested on the fact that the question was "settled" in 1906 -- a good party argument. That is, the mandate from the people made the settlement final. He nearly caused trouble by favoring Imperial Preference too strongly. In this conference, Asquith was caught in several inconsistencies in the discussions of Imperial Preference, due to disputes in a strictly partial and anti-Colonial spirit In this he was guilty of allowing party feelings of prejudice. to control his actions to the extent of blocking all preference The result was that the Liberals, headed by measures. *** Asquith, wove a web of tangled sophistry about the Colonial preference matter -- nearly spoiled, however, by Lloyd George's Mr. Churchill, speaking for the Home damaging admissions. Government, proved that the preferential tariff, because by treaty, could not be changed at will; furthermore, that the

^{*} H-1, 179 ** J-1-ii, 240 *** J-1-ii, 222 ff



presence of it in the Yearly British Budget would cause much bitter debate.* His arguments are obviously open to criticism because, if a tariff was by treaty, it could not be changed at will anyway and no debate would result.

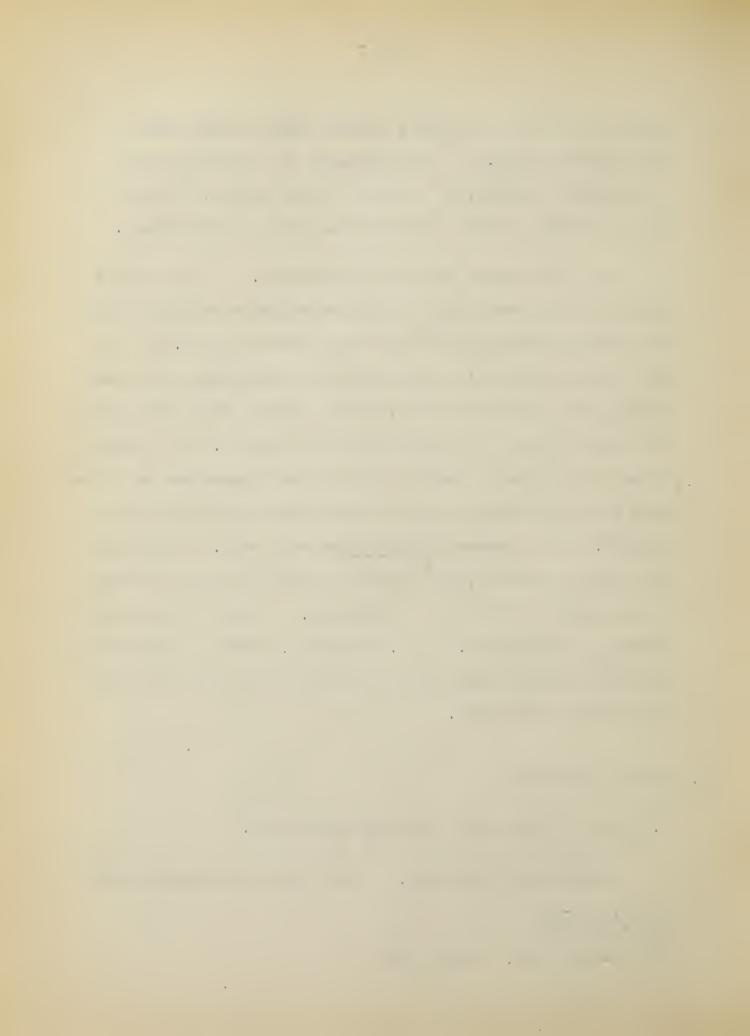
The results were conspicuously meagre. The colonies agreed to give each other preference wherever possible until the Mother Country could see her way clear to join. ** for the main resolution with regard to Preference, that went back to the weak one of 1902, with a proviso that this should not mean a change in the British Tariff System. *** resolution expresses "hope" that Premiers "undertake to confer with their colleagues to see if preference could be established" . **** However, no promises were made. The fault lay with the British. Who failed to understand the problems or the point of view of the Dominions. They did not even attempt to understand. Mr. Churchill, after the Conference, boasted in public that they had "banged and barred the door" to Imperial Preference.

E. Status (1907-1923)

1. The Situation after the 1907 Conference.

Chamberlain had failed. Up to and including the 1907

* H-1, 181-182 ** J-1-ii, 376 *** H-1, 182 **** J-1-ii, 377., J-1-ii, 243



conference, it was his energy that gave the issue life; and it can be truly said that the realization by the Dominions, culminating in the Conference of 1907, of the benefits of Preference to them, was the work of the Birmingham statesman.

What would happen to the issue? Had Churchill really "banged and barred the door"? Or would it be revived, and go on to ultimate success? These were the questions in the minds of Imperial Statemen.

2. The 1909 Budget and the Conference of 1911.

The answer, in one installment, came in April, 1909, when Lloyd George framed the Liberal Budget. It was strictly Free Trade. No notice was taken of tariffs. Duties were higher on the luxuries of the masses (liquor and tobacco), on succession duties and the income tax, and on unearmed incomes; and heavy rates were levied on monopolies, such as liquor licenses. In short, the burden was now on the possessors of wealth, not the producers of it. The Budget passed the Commons, but was stopped in the Lords. The controversy, which ended in 1911 with a shakeup in the Lords, does not concern us, being of no interest to the tariff question. The important point was that Free Trade was still the established basis of fiscal policy. This is even better



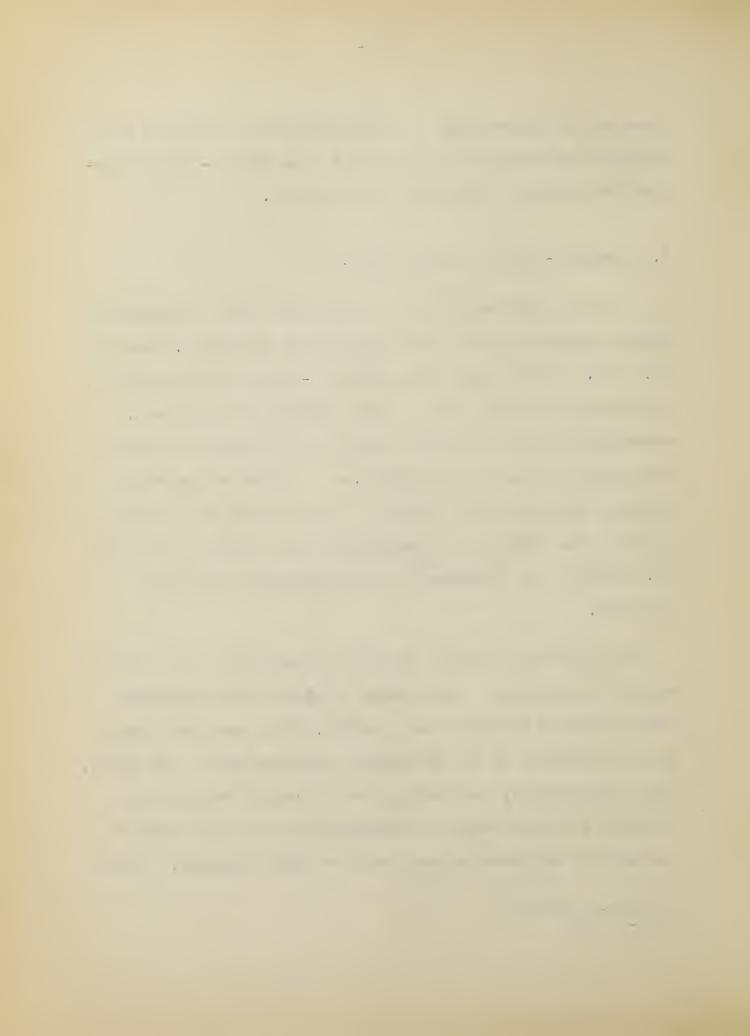
shown by the proceedings of the Conference of 1911, in which Imperial Preference was very much in the shade - an inconsequential element, forgotten and discarded.

3. Canadian-American Reciprocity.

It is significant that at about this time an agreement between Canada and the United States was published, January 26, 1911. This, the famous Canadian-American Reciprocity Agreement*, provided for the free exchange of materials, especially of food products, and for the "mutual reduction of duties on manufactured goods".** After the American Congress had ratified on July 22 of that year, Sir Wilfred Laurier, who opened the negotiations, was defeated, and in Mr. Borden's new government, the reciprocity policy was rejected.

Why did Canada oppose the policy from which she obviously stood to gain much? The answer is partly that Canadians were concerned in Canada as a nation, which they were loath to see swallowed up in the mammoth American maw on the South, even economically, but partly, too, because they were in sympathy with the bonds of Empire, which they felt must be indubitably weakened by acceptance of this proposal. Thus

[#] See H-1, 137-145
** H-1, 137



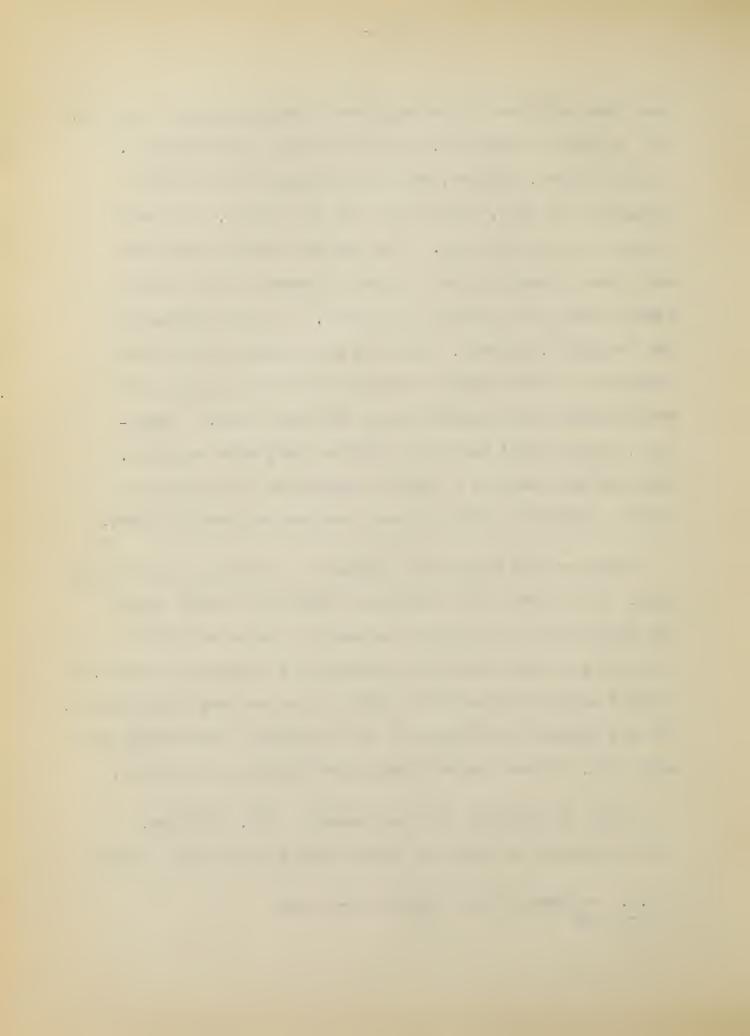
they drew political inferences from a purely economic measure, not, it must be admitted, entirely without justification.

To Sir Wilfred, however, must be ascribed the role of a Statesman who knew, better than his own people, what would be good for his dominion. He saw more clearly that the new lines of commerce would benefit Canada in ways that a similar union with England could not. In all justice to the Canadians, however, they were frightened by the scare produced by a few American Imperialist fools who said the wrong things about annexation at the wrong time.* More-over, Canada still hoped for British Preference in wheat. This has been used as a typical example of the problems of all the dominions which are near prosperous foreign states.

What was the opinion in England? Sir Austin Chamberlain said, "I feel that the independent growth of Canada within the Empire will be seriously menaced by the overwhelming strength and the overwhelming wealth of its great neighbor".** England actually interfered little in the matter; but England, who had spurned the appeals of the colonies, could hardly have said much, or have deserved consideration even if she had.

What of England's hold on Canada? Mr. Dibelius, having pointed out that the United States could offer Canada

^{*} E.G. Se Champ Clark's Speech, H-1, 142 ** H-1, 142



equal advantages to the Mother Country financially, adds
that "England relies on the powerful political and economic
interests which are still speaking for the Mother Country
in Canada, and the faculty of standing pat, so strong in
every Anglo-Saxon".** So for this reason England allowed
Canada to raise tariffs on all goods, including English (though
it should be mentioned a preference was granted, as we have
noticed). England, then, feels relatively secure in knowledge
of her position, strong in every way, not only in Canada, but
in all the other Dominions as well.

4. The Great War and Aftermath.

Any further attempts at tariff unions by England, or her Colonies, were now broken off by the World War. The Englishman's fundamentals of life itself, private enterprise, and Free Trade, were sorely harassed by was conditions.

Free Trade had insured a copious commerce, but after the War this did not revive as expected, and domestic ills resulted from this and other causes. Free Trade thus lost ground, the industries of the newly formed States were as well protected as those of the older ones, and the examples of Australia and America seemed to indicate that the tariff wall is



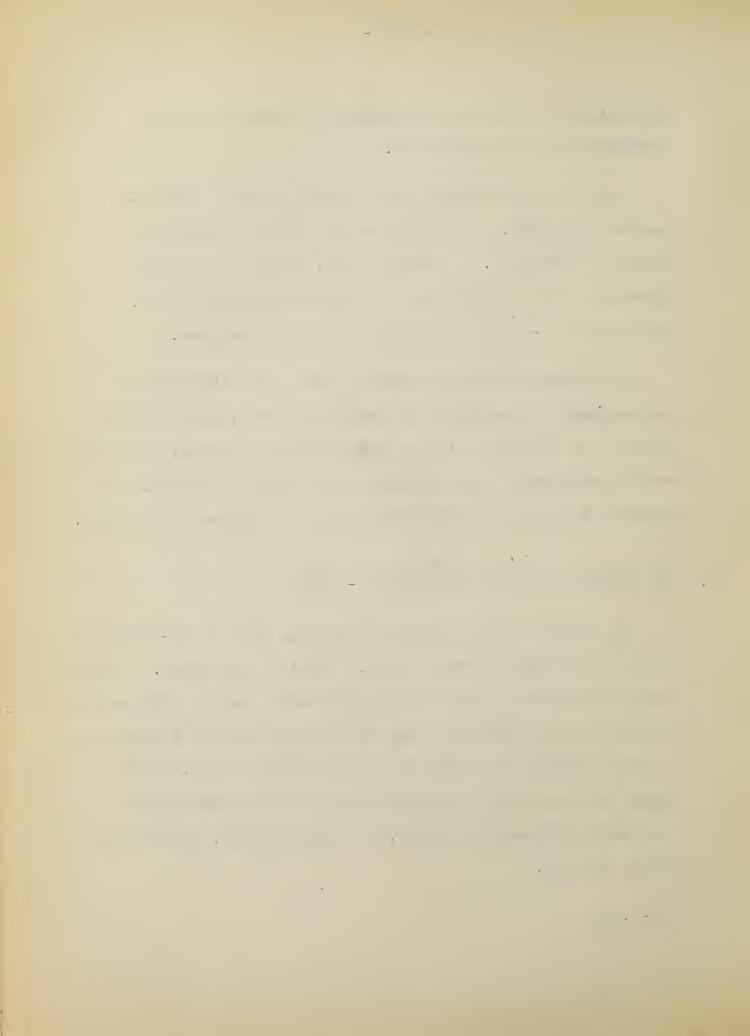
efficacious to build up a standard of living, but this impression has been nullified.

Even the new English State, looked on from the Manchester viewpoint, was a giant octopus which crushed all freedom of contract. Besides this, the new State had taken over the overseeing of the national economic life, and guided it - a fact repugnant to their doctrines.

An element of the strength of Free Trade is found in the weakness of the Imperial Preference party, since during the war the interests of the Empire were heightened, but after the war suffered a sharp relapse, due to home troubles, which resulted in a natural attendant loss to the Imperial ventures.

F. The Imperial Economic Conference - 1923

By 1923 we find the colonies anxious for the re-awakening of the Chamberlain's brain child, Imperial Preference. Prine Minister Bruce of Australia had asked that "tariff preference be placed on the agenda", and General Smuts dwelt expansively on the possibilities lying in fertile African soil, while canada and New Zealand also hoped for an equitable return for their preferential policy, of long standing, toward the Mother Country.



Mr. Baldwin, Conservative Prime Minister of England, encouraged them, since he believed that the tradition of Free Trade, though well established, was all that resisted the development of the already considerable Dominion markets, which as Mr. Bruce of Australia had said, would draw the English unemployed to the Dominions, and, as Baldwin felt, also benefit the Manufacturers and their employees in England by the greater volume of trade.

G. Election of 1923.

When Mr. Baldwin made his bargain with the Dominions, he realized that perhaps a food tax would be necessary, but felt it could be inaugurated. It never seemed to enter his head that the people would raise such a fuss over a scheme which involved so small a change.

Baldwin decided not to tax corn, since this was a battleground strewn with the remains of two Conservative parties (Tory and Unionists), but to tax the less necessary foods, such as the following list* received in trade from the Dominions: currants, dried figs, plums, South African and Australian wine, Canadian apples, "canned salmon, lobster, crayfish, honey, limes, lemons, and fruit juice." ** This involved only a slight duty at British ports -- the nearest

^{*} H-1, 479

^{*} Idem



approach to Free Trade possible without being actually a

Free Trade Policy. Thus the slightest sort of preference
was possible, with no duty at all on Dominion goods.

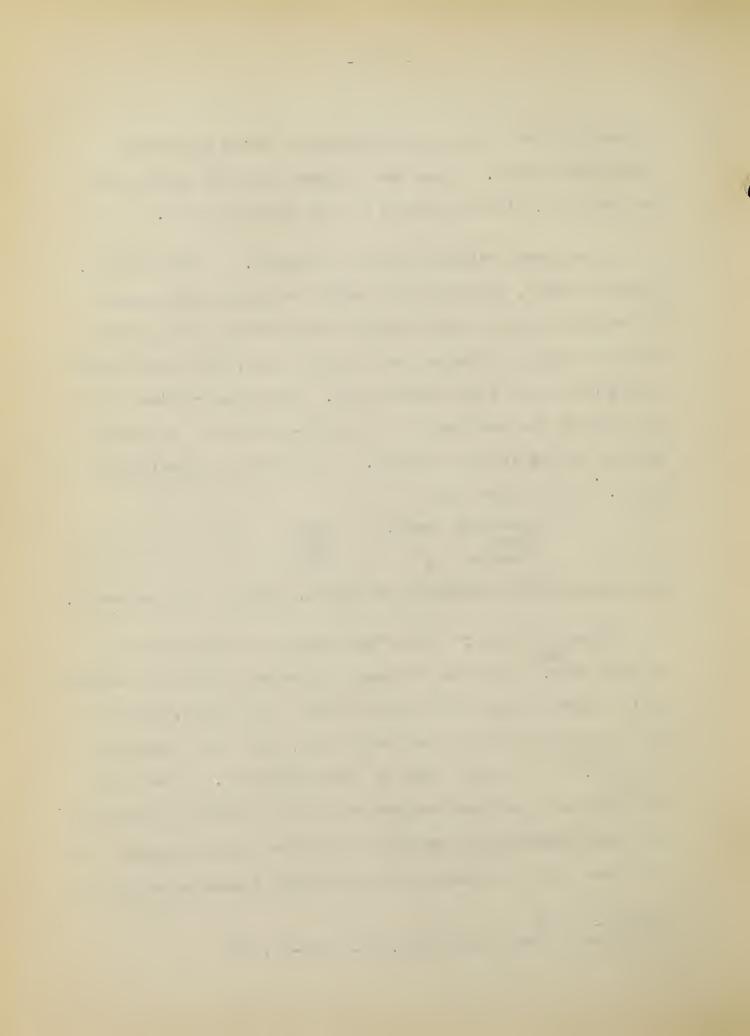
He reckoned without his host, however. Lloyd George, Liberal leader, picturing the Empire as grotesquely connected by crayfish and tin cans and the like*, aroused the voters to new heights of Liberal zeal, while Labor, with its Capital levy scheme, was also antagonistic. The Conservatives felt the need of the decision of the country in 1923; so Baldwin decided to "go to the country". The elections left little doubt. The totals were:

Unionists (Cons.) 257 Labor 186 Liberals 157

The Conservative Government collapsed, and with it Preference.

Disraeli wrote in 1879, "The spirit of England is yet so high that, I believe, it would endure any amount of taxation if its Imperial position were at stake; but taxes, without that sentiment of glory and patriotism, will pull down any ministry."** In the light of his philosophy, we can only conclude that the Conservatives could not persuade the people that the international position of England was endangered, so that they lost in attempting to introduce a measure which the

^{*} See H-1, 480 ** Letter to Lord Lytton Aug. 14. M-4-vi, 476



people were convinced represented a distinct loss to the pocket of Mr. Everyman, British Citizen. This was demonstrated by the fact that, far from fearing for the Empire's security, the people had seen fit to be amused by Lloyd George's "Tin Can" episode.

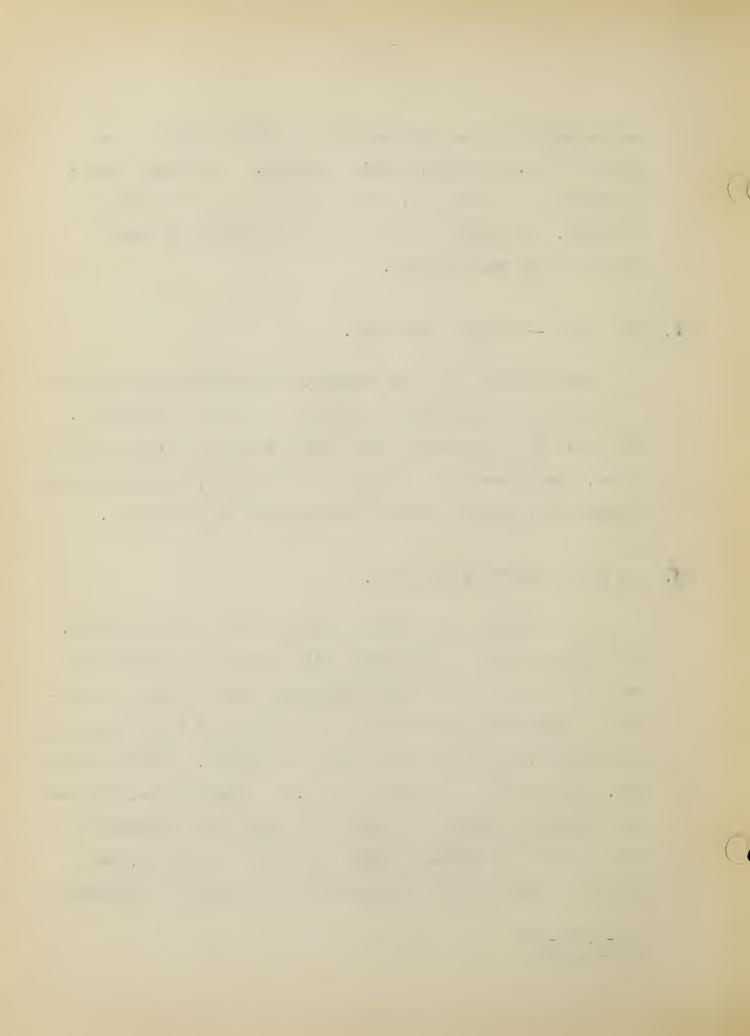
H. The Labor -- Liberal Coalition.

Macdonald, as the new Premier, disregarded the principle of continuity in the foreign policy of the Home Government, and undid all Baldwin had done, much to the distate of Bruce, Smuts, and Massey, of Australia, South Africa, and New Zealand, respectively, causing internal disturbance in the Empire.

I. Resume of Tariffs since 1921.

It is hard to say just what will happen to the tariffs. The "Safeguarding of Industries Act" (1921) is important in the imposition of a 33 1/3% ad valorem duty to favor the "so-called (war-time) Key Industries - optical and other scientific instruments, electrical and chemical articles, compass needles, etc., as well as on 'dumped' goods".* Furthermore, the year 1925 marked the tariff on industries which "are exposed to 'exceptional' or 'unfair' competition" **; however, even after the claim has been examined by a "tribunal", Parliament

^{*} D-1,133-134 ** D-1, 134



may pronounce in favor of, or against, the proposed change, and the ultimate decision rests with the legislative body.

Thus have certain exceptions been made in favor of Colonial Preference, though the steps so far have been meagre. Certain commodities which bore duties - like tea, cocoa, wine, coffee, spirits, and dried fruits * - have since 1919 been lowered to give preference. However, the necessary staple foods - corn and meat - are yet untaxed, "though", says Dibelius. "many Conservatives, and particularly Baldwin. would be glad to grant this principle, as a preliminary step to protection on articles of universal consumption". ** However, it must be admitted that the Baldwin Conservatives have had little success, and, indeed, if they persist in their aim they may again split the ranks of the party as in 1846, in 1903, and in 1923. Furthermore, there is not only resistance inside the party, but Snowden the Chancellor of the Exchequer of the Labor Government of 1924, managed to reduce some preferences already granted.

^{*} D-1, 134 ** Idem

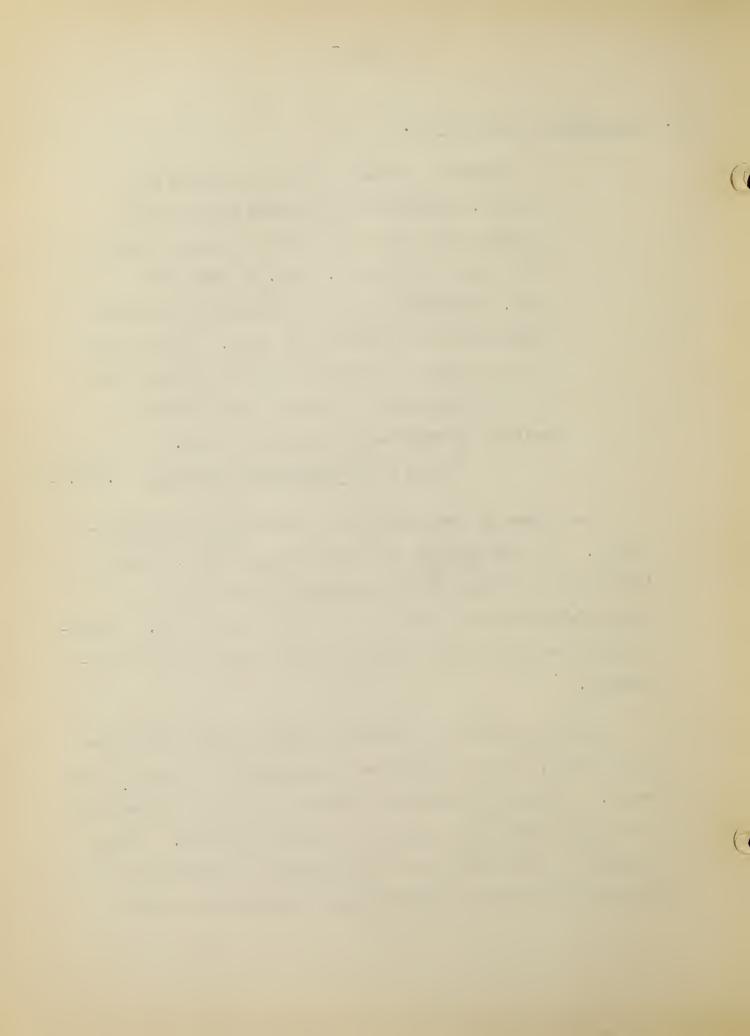
X. The Future of Free Trade.

"If Imperial Reciprocity is destined to win through, posterity will inquire wonderingly how the resistance to so vital a policy could have been so prolonged. If, on the other hand, the opportunity for establishing Imperial Reciprocity is finally to be lost, the historian will be equally concerned to comprehend how the British people came to refuse the greatest destiny offered to any State of Nation."

(Jebb -- The Imperial Conference, V.2, P.3.)

The future of Free Trade is a subject for much speculation. At the present time, as has been shown, imperial interests have conflicted with domestic ones, and it is almost impossible to tell which will win in the end. Nevertheless, the influence of certain vital factors can be considered.

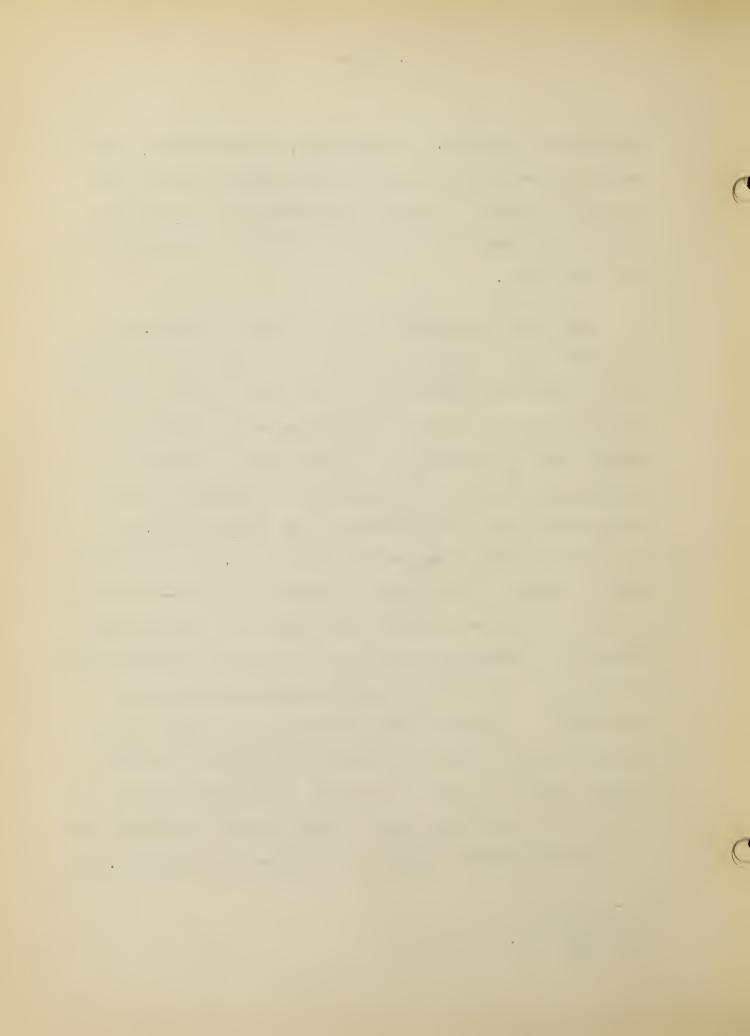
The position of Free Trade in Great Britain today seems to be sound, on the basis of many physical and psychological facts. In the first place, many of the motives which made Free Trade popular in 1846 are quite as valid now. The argument of the cheap loaf for laborers, the lower wage for manufacturers, and the philanthropic and ethical ideals,



perhaps, still exists. In addition, the prosperity since the dark days of Protection (in the "Hungry Forties") and the great increase of British commerce after the Corn Law Repeal, have been praised by Free Traders as the results of the Great Ideal.

Particularly important is Free Trade to Iondon, for, says Dibelius, "So long as London is in a Free Trade Country and New York lies behind one of the highest tariff walls in the World, all goods will be much more easily marketable in England than in America." * He also says. "Financiers regarded Free Trade at the Foundation of England's export strength and the world position of the London pound." ** The great English Bankers still advocate it. Sir Charles Addis, President of the Bank of England, and Vice-Chairman of the Bank of International Settlements said that England "despite the depression was still the greatest Trading nation in the "orld, and that she had flourished through three quarters of a century of Free Trade", *** and added, "the policy of Free Trade for a country like England, to whom foreign trade is of the very breath of our nostrils. the very blood of our life, without which it would be impossible to maintain anything like the same standard of comfort". ****

^{*} D-1, 125 ** D-1, 83 *** M-N-1, Nov. 20, 1930, 19 **** Idem



The world problems of England today must also be con-England, "in the short space of 150 years,.... has become a land of mines, forges and factories". * and must have foreign markets. Should she meet the problem involved by joining the European Union of M. Briand, she would be acting in a way contrary to all her past policies for over 200 years. But England will not respond to the question thus. She will reply to an economic Thited States of Europe by the continuance of her present policy of isolation, or by a closer economic union with her possessions, the Dominions especially, along lines of Imperial Preference. Curiously enough, "isolation" for England means Free Trade. As soon as she enters into a widespread Preferential agreement, whether with Europe or the Dominions, it will mean, if not the end of Free Trade as an ideal, at least a limitation of its application.

England is not without her advocates of Empire Preference.

The <u>Daily Express</u> has exhorted the peoples of the empire in the following manner: "Let Great and Greater Britain find their first and widest markets in buying and selling among themselves," ** and, in so saying, stated a national ideal, as contrasted with the international one of free trade.

^{*} M-8, 13 ** Herriot, The United States of Europe

, (, , · · · · ·

Industries, talks in a similar vein. He says that the English people must soon choose between isolation and preference, and favors the latter on the basis that "isolation (for Britain) would be impossible between the European unit that is contemplated (the U. S. of Europe) and the American unit now existing"*, and advises that England "proceed along new lines".** -- which, on examination, prove to be Chamberlain policy, very little re-vamped.

Furthermore, this idea of Empire trade is tied up closely with another problem of great moment at present to the British Empire -- the population problem. More than 2/3 of the population of Great Britain proper and her Dominion is contained in Great Britain itself, in about 1/85 of the entire area.*** Tremendous overcrowding of the island population results, while the rest of the Empire consists of "vast continents and sub-continents as empty as a drum".****

England has a population density of 701/square mile, while Australia has less than 2/square mile -- an empty land beckoning the seething cauldron of peoples of overpopulated Asia, especially those of Japan. Thus does

^{*} M-N-1; 5, 21, 1930; 30, 5 ** Idem

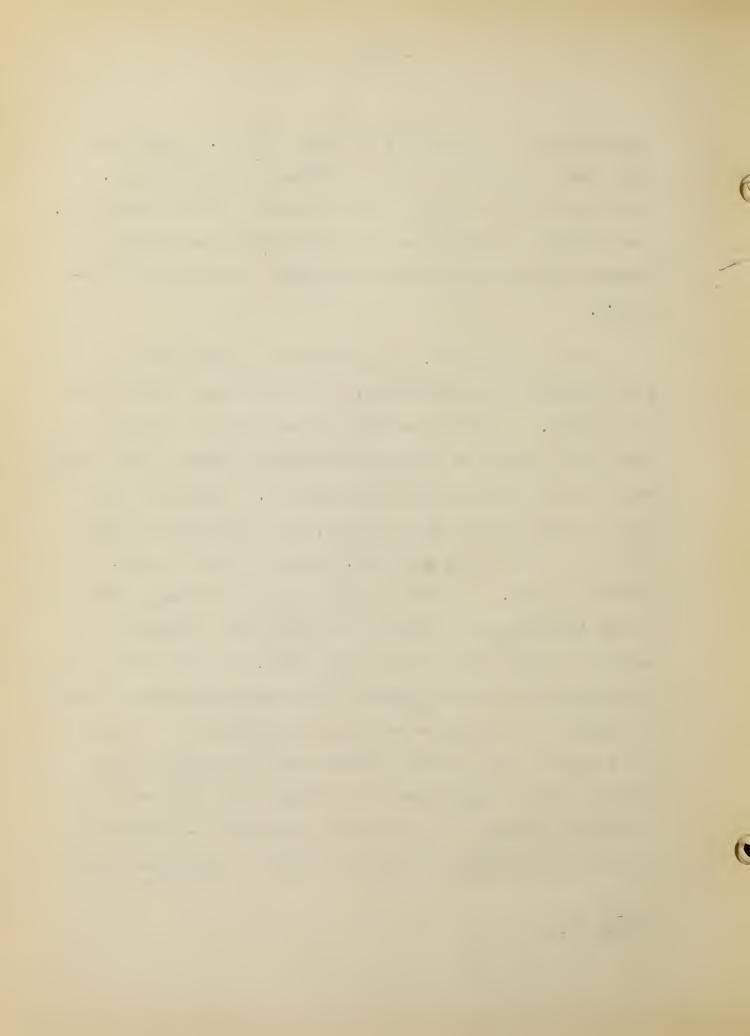
^{***} M-8, 8
****Idem

4 4

"welt-politik" also affect the British policy. She must afford protection to the British whites of the Dominions. The British Navy, and that alone enforces a "White Australia". The problems of maintaining the Empire and of populating sparsely peopled territories have become inextricably interlocked.

Since, furthermore, the Dominions and Great Britain are economically complementary, the problem also becomes one of commerce. England can sell her manufactured products there, and receive in return food which she can not profitably raise for any large number of her people. This fact was shown clearly during the World War, when the price of wheat raised at home went up from 30s./quarter in 1913 to 80s./ quarter in 1920. Marriott says, "To hold out hopes that by any improvement in methods of cultivation, by drastic changes in land tenure or by other means, we could feed our existing population, or indeed a very large proportion of it, is simply to ignore facts and mock the people".* He does not advocate birth control, lower living standards, or increased cost of commodities (for example by a corn law). but the redistribution of the Empire's population -- a policy recommended as early as 1839 by Carlyle ** in Chartism (1839)

^{*} M-8, 10 ** M-8, 7-8

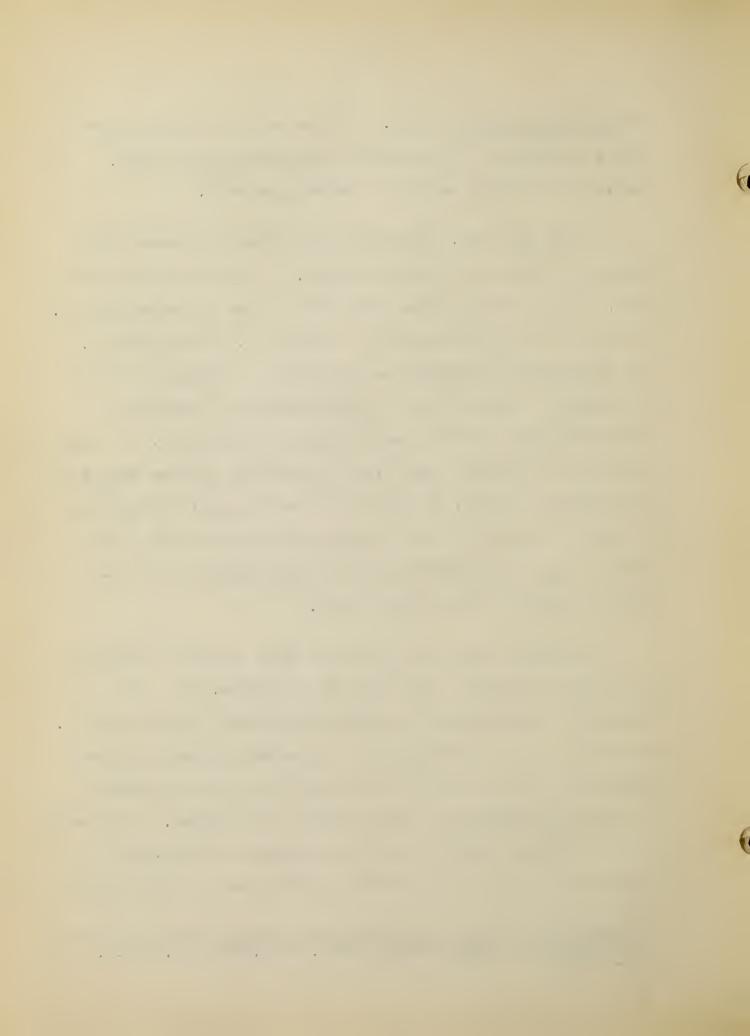


and Past and Present (1843). An attempt at this solution failed egregiously in the Empire Settlement Act of 1926, leaving the problem nearly as pressing as ever.

In the meantime, Preference enthusiasts advocate their method of solving all these problems. However, as we have seen, two political parties favor Free Trade uncompromisingly. At the end of the 1930 Colonial Conference, of November 14, the Government "stated that an agreement to extend the existing margin of British Tariff preferences for a period of three years was the best the Dominions could obtain."* This implies at the end of that time a retraction of some existing preferences at least, if the Labor-Liberal coalition remains in power; and even if the Conservatives should come into office, there would undoubtedly be dissension on the Protection question within their ranks.

I therefore agree with Dibelius when he says, "England is far from accepting Protection in principle." ** The practice of generations has proved Free Trade a great benefit. The people desire cheap food and the manufacturers cheap raw materials -- one or both of which would have to be inserted in any comprehensive protective measure in England. Curiously, then, the usually warring laboring classes and the middle classes are allied, just as their traditional parties, Labor

^{*} Fortnightly Summary of International Events issued by Carnegie Endowment for International Peace. Vol.VIII, No.4, P.6. ** D-1, 133



and Liberal respectively. The agricultural and the Imperial interests alone remain to combat this formidable combination, which outnumbers them by a considerable majority. Finally, the moral aspects of Free Trade appeal to the English, and unite them to it almost inseparably; for "the average Briton", if there be such, considers Free Trade "not a theory but a Truth."*

.

THE HISTORY OF FREE TRADE IN GREAT BRITAIN Summary

part of English tradition. The fight for the continuance of Free Trade has held an important and conspicuous place in the recent councils of the nation. It has touched some of England's most vital problems, such as Imperial trade and the food supply of the English people, and these questions are perhaps more pressing than ever before.

Before a study of the subject is possible in any intelligent manner, the basic facts of the theory of international trade are not only convenient but essential. Hindrances of any kind to international trade, which in itself is beneficial, are injurious to the desirable effects of the trade. Protection is such a hindrance, causes high prices, supports eneconomic industries, results in unfriendly relations between foreign nations, and in internal political intrigue over the tariffs. Furthermore, it limits the field from which the food supply of the "protected" nation may come. In practice, it has caused an increased amount of specuation and gross inefficiency in the democratic forms of government which practice it.

Free Trade began, in any real sense, with the epoch-making writing of Adam Smith, <u>Wealth of Nations</u>, and was soon to influence statesmen. In his wake followed an entire school of writers with similar doctrines -- for example, Ricardo and John Stuart Mill.

. 1 - Hard - 7 1 - 10

Summary (cont.)

In the earlier part of the 18th century, English trade conditions were in a state of great confusion. Walpole attempted a reform to the excise system, but failed, due to popular prejudice. During this period the trades, protected, were always engaged in a tariff rivalry, showing one of the greatest evils of protection.

Later in the century, with the advent of Pitt the Younger, certain Free Trade reforms were inevitable, in spite of the monopolistic principles which governed the country at the time. Pitt, being a disciple of the Scotch economist, began a reform of the commercial treaties and the budgets of the Kingdom with a leaning toward Free Trade. He was eminently successful, considering the conditions of the country's prejudices, but was halted by the French Revolution and later by the Napoleonic Wars, and finally died in 1806, true to Free Trade in theory to the last.

The Napoleonic Wars meant death to English Liberalism. At the end of the wars, during the last portion of which England, as the workshop of Europe, had become prosperous, the reaction came, and the conditions of the people were serious. Nevertheless, a Corn Law was passed in 1815 which restricted the volume of corn imported by means of a high tariff, which resulted in great public discontent and suffering. In spite of the tariff, however, the difficulties of the farmers continued, due to problems purely agricultural and social in character,

the contract of the contract o the second secon e - 1

Summary (cont.)

and relatively little related to the Corn Law.

with the early part of the decade after 1820, came Huskisson, who attempted to reform the Corn Law, and the Navigation Law, which restricted English shipping. He partially succeeded in both of these, but Free Trade principles could gain little headway at this time. Even the reform of the Parliament in 1832 failed to bring about a repeal of the obnoxious law, and the masses began to be discontented.

Late in 1838 the "Anti-Corn-Law League" was organized by business men of Manchester for the purpose of Corn Law repeal. By pamphleteering and public speeches, and finally by electing members to Parliament when all else failed, this organization was a great power in the nation by the time the Laws were actually repealed. It was lead by such able orators as Richard Cobden and John Bright.

In 1841, when the Melbourne Government fell, and Sir Robert Peel entered at the head of the Conservatives, who were pledged to Protection; but by 1843 Peel had become convinced that the repeal of the Corn Laws was inevitable, and just; and by successive Budgets up to 1845 he approached Free Trade more closely. During this time, the Free Traders had kept up a constant pressure upon him, led first by Villiers, and later by Cobden and Bright, who had entered the Parliament in the hope of effecting the reform which they had not been able to bring about by speeches alone.

. . The second sec

Summary (cont.)

Finally, in 1846, Sir Robert Peel brought forward his

plan for free corn in three years, which was passed, breaking

the Tory Party into two factions -- Free Trade and Protectionist.

Wellington pushed the bill through the Lords. Peel had consciously advanced from Protectionist principles to those of Free Trade

by slow but certain stages, and though he had been criticated

for treachery to his party, he had a greater loyalty -- the peo
ple of England.

Free Trade was inevitable. It appealed to the working man by cheaper food, to the employer by possibility of cheaper labor, and to the idealists who believed in it as an institution of world justice and kindness and ultimate peace.

However, the Corn Law Repeal had broken but one of the defenses of Protection, and others remained -- duties on Colonial goods and the Navigation Laws. As for the permanence of what the repeal had accomplished, all Englishmen not of the Protectionist school believed it would last as long as the nation itself.

The Protectionists, who had resisted the Free Trade flood vainly, hoped at first for an immediate return to Protection, but their ultimate leader, Benjamin Disraeli, decided that the party would gain more by the support of the classes "injured" by the legislation of 1846.

One of these classes supposedly injured was the farmer.

With the Corn Law Repeal his prices dropped, and the rents also.

. .---

Summary (cont.)

However, some of the farmer's real difficulties were in farm methods and marketing, and not entirely in tariffs. Wherever the blame, the fact remains that many tenant farmers and farm laborers lost their means of livelihood, and that agriculture in time became the poor relation of the other occupations, dependent for relief upon the others from time to time.

Disraeli, therefore, at the head of his Party, attempted to steer his course away from Protectionist policies, which he considered deadly to the party welfare. He was stubbornly contested by Lord George Bentinck and Lord Stanley(later Lord Derby), who insisted upon protection. In 1849, in spite of the reformed party's efforts, the Navigation Acts were repealed. In the next year, Disraeli tried to turn the party's endeavors along the line of farm relief by removing local taxation, and was partially successful. However, when his party had a chance to hold a long term of office, the Protectionist element spoiled it. Disraeli gained one thing by this fiasco -- the public renunciation of Protection by his party.

The Budget of Gladstone in 1853 was very similar to Disraeli's one of the previous year, and showed that the nation was definitely committed to Free Trade, and that it should no longer countenance this principle as the football of party politics.

During the mid-19th century, there had been considerable interest shown in the Colonies, and this was realized to a

- 1 1 -----t the second sec (

Summary (cont.)

greater extent under Disraeli, with his imperial policies.

Early Colonial Conferences confirmed his work in 1887 and 1894.

In thesethe sentiment was expressed that a preference was desirable for Imperial goods.

In 1895, Joseph Chamberlain became Foreign Secretary in the Ministry, and had his own ideas of how the Empire should be run. He advocated a Zollverein in 1897 at the Colonial Conference as the economic part of the program. This failed, so he changed his tune, calling for Imperial Preference at the Colonial Conference which met in 1902. Here again, he failed; but it was not due to the Colonies this time, rather to the Government at home. Here, in the next three years, Chamberlain combatted the Prime Minister and more than half the Cabinet, as well as the entire Liberal Party. He proposed to put a tax on food and on raw materials, however, and this was unpopular.

He won in his own party in the 1905 election; but this election spelled ruin for his party. The Liberals, in power, when confronted in 1907 by a real demand for preference in British markets, disregarded it entirely.

Between 1907 and 1923, the cause of Imperial Preference languished; but the war had brought about new conditions of economic importance. The Liberal Party had given way to the Conservatives; who decided that it was time to revive the Chamberlainite doctrine; but were defeated at the polls, losing to a Labor-Liberal coalition. Since this time, the policy of the Government has been to resist Preference or Protection

. ,

Summary (cont.)

in all forms except the very restricted type involved in the Safeguarding of Industries Act of 1921, and its complementary legislation of 1925.

Today the Empire is faced by pressing problems, involving food for the people of greatly overpopulated Britain, and markets for their manufactures. Add to these questions the underpopulation of the Dominions and the influence of these relatively empty spaces on "welt-politik", and the position of Free Trade isolation assumes an important relation to these when it is realized that even a slight preference on the part of the Mother Country would render the position of the English emigrant much more desirable, by guaranteeing him markets for his farm products at Home(that is, England). Thus indirectly the exceedingly important aim of incresing immigration in the Dominions would also be fostered.

The conclusions to be drawn from the history of Free Trade are the following: that many of the factors which gave it force at the outset still exist; that it has an economic, as well as idealistic, an egoistic as well as altruistic, hold on the English people; that it is supported by the laborers and the middle class, as against the numerically inferior agricultural and Imperial classes; and that it is, therefore, in spite of the increasingly important Empire problem, probably destined for a long time to come to remain incorporated in English policy.

c · -----

Books will be indicated in the footnotes by the first letter of the author's or editor's name, followed by a number indicating the particular book. If there is more than one volume, this will be indicated by the above, followed by a dash and small Roman numerals to indicate the volume.

(E.G. B-1 is Bagehot's English Constitution, and M-1-vi is Monypenny and Buckle, Life of Disraeli, volume 6.)

Pages will also be indicated in arabics after the bookand-volume designation, and separated from it by a comma. (E.G. T-1-vi, 32 is Traill's Social England, volume 6, page 32.)

Magazine or newspaper articles will be indicated by the letter M followed by a dash and a letter-number combination, as in the books, to indicate the particular magazine. This will be followed by a comma, and the date and page wherever possible. (E.G. M-N-1, Nov. 21, 1930, 22 will indicate the New York Times of Nov. 21, 1930 issue, page 22.)

The key letter-number combination to indicate the book or magazine will appear in this bibliography, alongside the name of the particular book designated.

- 1.- 112 - 11 -

Key Combination	Author or Editor, and Title of Book or Paper Publisher and Date of Publication
A-1	Asquith, Herbert Henry: Trade and the Empire Methuen and Company, London, 1904.
A-2	Asquith, Herbert Henry: Fact vs. Fiction Cassell and Company, Ltd., 1904.
B-1	Bagehot, Walter: The English Constitution Oxford University Press, 1867(1928).
B-2	Bastable, Charles Francis: Theory of International Macmillan Company, London, 1903. [Trade.
B-3	Bright, John, and Rogers, James E.T., joint ed.: Macmillan Company, 1870. [Cobden's Speeches.
C-1	Cambridge Modern History Macmillan Company, 1902-'12.
C-2	Cross, Arthur Lyon: A History of England and Greater Macmillan Company, 1916.
D-1	Dibelius, Wilhelm: England Its Character and Genius. Harper Brothers, New York and London, 1930.
G-1	Green, J.R.: <u>History of the English People</u> 4 vol. Harper Brothers, New York, 1878-'80.
H-1	Hall, Walter Phelps: Empire to Commonwealth Henry Holt and Company, New York, 1928.
H-2	Haney, Lewis Henry: History of Economic Thought Macmillan Company, 1911.
L-1	London Times
J-1	Jebb, Richard: The Imperial Conference 2 vol. Longmans Green Company, 1911.
J-2	Jebb, Richard: Studies in Colonial Nationalism Arnold, London, 1905.
M-1	Mackintosh, Alexander: Joseph Chamberlain an Honest Hodder and Stoughton, London, 1906. Biography.
M-2	Mariott, Sir John Arthur Ransome: England Since Putnam Company, New York, 1913. [Waterloo.

The state of the s ----

W-1

Key Combination	Author or Editor, and Title of Book or Paper Publisher and Date of Publication
M-3	Maxwell, Sir Herbert: Century of Empire (1801-1900) Edward Arnold, London, 1909. [3 vol.
M-4	Monypenny, William Flavelle, and Buckle, George Earle: <u>Life of Benjamin Disraeli, Earl of Beaconsfield 6 vol</u> <u>Macmillan Company, 1920.</u>
M-5	Morley, John: Life of William Ewart Gladstone Macmillan Company, 1911.
M-6	Morley, John: Life of Richard Cobden Roberts Brothers, Boston, 1881.
M-7	Munro, William Bennett: Governments of Europe Macmillan Company, 1925.
M-8	Marriott, Sir John Arthur Ransome: Empire Settlement Oxford University, 1927.
N-1	New York Times
P-1	Prentice, Archibald: History of the Anti-Corn-Law Cash, W. and F.G., London, 1853. League 2 vol.
R-1	Rogers, James Edwin Thorold: Cobden and Political Macmillan and Company, London, 1873. Opinion
R-2	Rogers, J.E.T.; Ed.: Bright's Speeches Macmillan Company, 1868.
R-3	Rogers, J.E.T. (Ed. by son, Arthur G.): The Industrial and Commercial History of England G.P.Putnam's Sons, 1892.
R-4	Rogers, J.E.T.: Political Economy Oxford, Clarendon Press, 1869.
T-1	Traill, H.D., Ed.: Social England 6 vol.(last 3 used) (Period covered, earliest times to election of 1885.) New York, G.P.Putnam's Sons: London, Cassell and Company, Ltd., 1894.
T-2	Trevelyan, George Macauley: <u>Life of John Bright</u> Houghton Mifflin Company, 1914.

Walpole, Sir Spencer: <u>History of England</u> (1815-'56) Longmans Green Company, 1907. [6 vol.

The Contract The later of the l

In addition to the above works, a number of general histories were consulted, and certain other works of economics, for the sake of the more general materials they contained, but which I have considered not worth mentioning, either because they contained the most general sort of facts, or because they had no value with respect to this thesis.

. -----



